

**THE TRANSFER OF HR PRACTICES OF FOUR MULTINATIONAL COMPANIES
(MNCs) TO THEIR SUBSIDIARIES IN NIGERIA**

A. N. AMAUGO

Ph.D

2016

UNIVERSITY OF BEDFORDSHIRE

THE TRANSFER OF HR PRACTICES OF FOUR MULTINATIONAL COMPANIES
(MNCs) TO THEIR SUBSIDIARIES IN NIGERIA

by

A. N. AMAUGO

A thesis submitted to the University of Bedfordshire in partial fulfilment of the
requirements for the degree of Doctor of Philosophy

June, 2016

THE TRANSFER OF HR PRACTICES OF FOUR MULTINATIONAL COMPANIES (MNCs) TO THEIR SUBSIDIARIES IN NIGERIA

A.N. AMAUGO

ABSTRACT

This thesis examines the transfer of HR practices in the Nigerian subsidiaries of MNCs from emerging countries. It aimed to address a number of gaps identified from the literature, especially as there is a dearth of study in this area in developing countries in contrast to developed countries. Specifically, the study attempts to shed light on the nature of the HR practices, the process of the transfer of HR practices, the factors that influence the transfer process and the role of HR in the transfer process.

The study utilised 48 semi-structured interviews conducted between November 2012 and March 2015 in the Nigerian subsidiary of the four case companies. The data was predominantly gathered using an in-depth semi-structured interview of HR managers and specialists, line managers of other functional departments, senior managers and others who are involved with people-related issues on the nature of HRM policies applied in subsidiaries of MNCs from emerging economies and their approach to the management of their human resources in overseas subsidiaries.

Generally, the findings from this study reveal that these MNC case companies display more similarities than differences. In particular, similarities were found to be the increasing emphasis on training and development, which was used to develop employees extensively, implementing standard appraisal systems which are more target-oriented and standardised communication. However, differences existed in the areas of compensation and benefits, and recruitment and selection. Additionally, expatriates are appointed in key positions and are used to facilitate the transfer of these practices. Furthermore, similarities and differences are influenced by a number of factors.

Overall, the study's findings contribute to knowledge in several ways. First, they extend knowledge on the convergence debate and show that there is convergence among EMNCs themselves and with western MNCs, and this convergence is with regards to the adoption of Anglo-Saxon practices that are known to be globally accepted standard practices. The study also contributes to the Upper Echelon Theory in that it confirms that the education and experience of top and senior managers affects the nature of HR practices adopted. This study can be extended into other contexts. Secondly, it contributes to knowledge on the approaches adopted by the MNCs and the findings reveal that various IHRM approaches could be used depending on the policy or practice that is considered of "strategic importance". It reveals that an exporative approach was adopted by the parent companies.

DECLARATION

I declare that this thesis is my own unaided work. It is being submitted for the degree of (PhD) at the University of Bedfordshire.

It has not been submitted before for any degree or examination in any other University.

Name of candidate: Amarachi Ngozi Amaugo Signature:

Date: June, 2016

Table of Contents

List of Tables	ix
List of Figures	x
List of Abbreviations.....	xi
Acknowledgements.....	xii
CHAPTER ONE: INTRODUCTION	1
1.1 Background	1
1.2 Background of Study	2
1.3 Outlining the Research Gaps.....	13
1.4 Aim and Objectives of the Study.....	14
1.5 Outline of the Research Methodology.....	15
1.6 Structure of the Thesis.....	16
CHAPTER TWO: LITERATURE REVIEW.....	18
2.1 Introduction.....	18
2.2 HRM Practices.....	18
2.2.1 HR practices of MNCs from emerging countries.....	20
2.2.2 Examples of Brazil, South Africa and Singapore	20
2.3 Organisational Theories Applied in the Study	24
2.4 Determinants of Transfer of Practices.....	45
2.4.1 Corporate level (Parent Company) SIHRM System.....	46
2.4.2 The subsidiary's HRM system	51
2.4.3 Subsidiary employee group's HRM system	54
2.5 The Role of the HR Department	55
2.5.1 The effects of comparisons between differences in cross-national HRM department roles	61
2.5.2 HRM departments' role and best practice.....	62
2.6 Transfer Processes	64

2.6.1 People-based.....	65
2.6.2 Information-based	65
2.6.3 Formalisation-based.....	65
2.6.4 Centralisation-based	66
2.7 Conclusion and Propositions	66
CHAPTER THREE: RESEARCH METHODOLOGY	68
3.1 Introduction.....	68
3.2 Research Philosophy.....	68
3.2.1 Pragmatism.....	68
3.2.2 Realism or critical realism	69
3.2.3 Positivism.....	69
3.2.1 Justification for the interpretivist paradigm.....	70
3.3 Research Strategies	72
3.3.1 Case Studies.....	72
3.4 Justification of Strategy Chosen	74
3.5 Criteria for Multiple Case Studies Selection	77
3.5.1 Holistic Approach	79
3.5 Evaluating the Quality of the Case Study Design.....	80
3.6 Data Collection	85
3.6.1 Case Study Protocol	85
3.7 Procedure for Data Collection.....	91
3.7.1 Sources of data collected	91
3.7.2 Case study protocol	93
3.8 Data Analysis	98
3.9 Ethical Consideration for Research.....	102
3.10 Conclusion.....	104
CHAPTER FOUR: T-SA CO	105
4.1 Introduction.....	105

4.2 Company Profile	105
T-Sa Co.....	109
4.3 Headquarters–Subsidiary Relationship	111
4.4 The Nature of the HR Practices in the Nigerian Subsidiary	118
4.5 Conclusion.....	140
CHAPTER FIVE: T-UE CO	142
5.1 Introduction.....	142
5.2 Company Profile	142
Chief Legal & Regulatory Officer	146
5.3 Headquarters–Subsidiary Relationship	147
5.4 The Nature of the HR Practices in the Nigerian Subsidiary	150
Ba Econs (Uk)	156
Ba (Econs) (Uk).....	156
5.5 Conclusion.....	171
CHAPTER SIX: B-SA CO	172
6.1 Introduction.....	172
6.2 Company Profile	172
6.3 Headquarters–Subsidiary Relationship	176
6.4 The Nature of HR Practices in the Nigerian Subsidiary	179
6.5 Conclusion.....	199
CHAPTER SEVEN: B-SP CO	201
7.1 Introduction.....	201
7.2 Company Profile	201
Ba (Econs) (Uk).....	204
7.3 Headquarters–Subsidiary Relationship	205
7.4 The Nature of HR Practices in the Nigerian Subsidiary	209
7.5 Conclusion.....	229
CHAPTER EIGHT: OVERVIEW AND COMPARISON OF CASE STUDIES.....	230

8.1 Introduction.....	230
8.2 Human Resource Practices: Their Similarities And Differences	231
8.3 Transfer Process	241
8.4 Subsidiary HR Department Role in the Transfer Process	244
8.5 Factors Influencing the Transfer of Practices.....	247
8.5.1 Host country effect	247
8.5.2 Industry sector, international structure and strategy	252
8.5.3 Top management beliefs and home country effect.....	254
8.5.4 International experience	255
8.5.5 Subsidiary role	256
8.6 Conclusion.....	259
CHAPTER NINE: CONCLUSION.....	262
9.1 Introduction.....	262
9.2 Aim and Objectives.....	262
9.3 Summary of Key Findings from Fieldwork Undertaken	262
9.4 Research Contributions	267
9.4.1 Contribution to Theory.....	267
9.4.2 Contribution to Practice	268
9.5 Limitations of the Study	270
9.6 Future Research.....	271
References	272
Appendix A: Interview Protocol	307
Appendix B: Codebook Excerpt (Part C)	331
Appendix C: Coded Interview Excerpt (Part C).....	332

List of Tables

Table 1.1	Lists of various EMs found in the literature	7
Table 1.2	Regional Real GDP Growth (%)	9
Table 2.1	Commonly used Institutional Domains	31
Table 2.2	Certain Structure for institutional analysis	33
Table 2.3	Major institutional characteristics in configuring business systems	37
Table 2.4	Adaptations to Ulrich's HR Model	63
Table 3.1	Research Paradigms	74
Table 3.2	Research strategy chosen	78
Table 3.3	Case study tactics for different design criteria	86
Table 3.4	Cases investigated	90
Table 3.5	Respondent profile	91
Table 3.6	Data sources	96
Table 3.7	Research questions in interview schedule	101
Table 4.1	T-SA Composition of the board of directors	110
Table 4.2	Balance of decision making responsibility	114
Table 4.3	Balance of decision making	118
Table 4.4	T-SA-N Composition of the board and key executives	127
Table 4.5	Appraisal percentages	139
Table 5.1	T-UE Composition of the board of directors	147
Table 5.2	T-UE-N Composition of the board and key executives	160
Table 5.3	Appraisal Rating Scale	170
Table 6.1	B-SA Composition of the board of directors	177
Table 6.2	B-SA-N Composition of the board and key executives	186
Table 6.3	Grade alignment	199
Table 7.1	B-SP-N Composition of the board and key executives	206
Table 7.2	B-SP-N Composition of the board and key executives	217
Table 7.3	Rating system/percentages	227
Table 7.4	Remuneration target for senior managers	229
Table 8.1	Findings of the HR Function and Policies	235
Table 8.2	Extent of Localisation vs. standardisation of HRM practices	245
Table 8.3	Type and degree of control	247
Table 8.4	Subsidiary size and mode of establishment	261
Table 9.1	Summary of findings	267
Table 9.2	Contributions of the research	272

List of Figures

Figure 1.1	2015: Global Growth Accelerates	8
Figure 1.2	EMNCs in the Fortune Global 500	11
Figure 2.1	Model of Strategic International Human Resources Management (SIHRM)	54
Figure 3.1	Research design for the study	82
Figure 3.2	Interview Procedure	98
Figure 4.1	T-SA-N Structure of HR department	122
Figure 5.1	T-UE-N Structure of HR department	154
Figure 6.1	B-SA-N Structure of HR department	182
Figure 7.1	B-SP-N Structure of HR department	214
Figure 8.1	Diagrammatic representation of the research objectives	233
Figure 8.2	Extent of Localisation vs Standardation of HRM practices	244

List of Abbreviations

For the case studies

B-SA	Parent company of the Financial Company in South Africa
B-SA-N	Nigerian Subsidiary of the Financial Company in South Africa
B-SP	Parent company of the Financial Company in Singapore
B-SP-N	Nigerian Subsidiary of the Financial Company in Singapore
T-SA	Parent company of the Telecommunication Company in South Africa
T-SA-N	Nigerian Subsidiary of the Telecommunication Company in South Africa
T-UE	Parent company of the Telecommunication Company in United Arab Emirate
T-UE-N	Nigerian Subsidiary of the Telecommunication Company in United Arab Emirate
C&B	Compensation and benefits
CV	Curriculum Vitae
DOI	Degree of Internationalization
EC	Emerging Countries
EM	Emerging Markets
EMNCs	Emerging Multinational Companies
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HC	Host Country
HCN	Host Country National
HIPO	High Potential (employee)
HQ	Headquarters
HR	Human Resource
HRM	Human Resource Management
HWPS	High-Performance Work System
IFC	International Finance Corporation
IHRM	International Human Resource Management
IMF	International Monetary Fund
M&A	Merger and acquisition
MNC	Multinational Company
NYSC	National Youth Service Corps
PA	Performance Appraisal
PC	Parent Company
PM	Performance Management
R&S	Recruitment and Selection
SA	South Africa
SP	Singapore
T&D	Training and Development
UAE	United Arab Emirates

Acknowledgements

I would like to use this medium to express my profound gratitude to God Almighty for helping me through the process of this study. I would not have done it without Him.

I also would like to specially thank my Director of Studies, Dr. John Beaumont-Kerridge for his support and guidance during the course of my studies. I want to appreciate Dr. Faten Baddar Alhusan, who has not only been an excellent supervisor but a source of inspiration. Her continuous guidance, support, and encouragement are immeasurable.

I would like to thank all my colleagues at UoB especially Dr. Micheal Oyelere who was so supportive especially during the final lap of this journey. I would love to express my sincere gratitude to my sisters, my brothers, my friends and fellow research colleagues who made a massive contribution to my research work. Many thanks also to Dr. Peter Norrington for proofreading the thesis.

I cannot forget my wonderful parents Mr Edwin and Gift Anya for their immeasurable support during this academic journey. Words fail me...The thought of you kept me focused. I love you!

Finally, I would like to thank my husband (Gospel) for being there for me and my son (Emmanuel) who has been a wonderful gift and a welcomed distraction.

Thank you all!

CHAPTER ONE: INTRODUCTION

1.1 Background

The transfer of Human Resource Management (HRM) practice is becoming desirable for multi-national companies (MNCs) acquiring subsidiaries across the globe and this is done for a variety of reasons (Bjorkman and Lervik, 2007). The quest for suitable HRM policies has undoubtedly become increasingly demanding for MNCs in a globalised market because when businesses start operations in different countries and regions of the world, they enter into different terrains having unique opportunities and challenges. Human resource (HR) practices are seen to be valuable resources which firms seek to replicate (Zaheer, 1995; Szulanski, 1996). In transferring these practices, consistency is sought so as to make contributions towards developing a common culture within MNCs, thus enhancing equity (Kim and Mauborgue, 1993) and ensuring that external legitimacy is managed as a whole in the MNC (Kostova and Zaheer, 1999). Nonetheless, evidence exists that implies that transfer of HR practices does not always work out as planned by the parent company; and it has been found that MNCs' subsidiaries differ in the extent to which they internalise HR practices (Kostova and Roth, 2002).

Currently, MNCs from emerging countries are growing and much interest has arisen towards gaining a better understanding of how HR practices are transferred without assuming that the western ethnocentric orientation is prevalent (Thite *et al.*, 2012). Prior studies focused more on the MNCs from western countries (Almond *et al.*, 2003; Chen *et al.*, 2005; Edwards, 1998; Edwards and Ferner, 2004; Farley *et al.*, 2004; Ferner and Edwards, 1995; Ferner and Quintanilla, 1998; Ferner and Varul, 1999; Gamble, 2003; Guest and Hoque, 1996; Innes and Morris, 1995; Muller, 1998; Tayeb, 1998). Even though in the past, the existence of MNCs from emerging countries was reported previously (Agmon and Kindleberger, 1977; Heenan and Keegan, 1979; Kumar and McLeod, 1981; O'Brien, 1980; Wells, 1977, 1983), little research has been done on the practices and international HRM strategies of MNCs from emerging countries with subsidiaries in developing countries.

This thesis is focused on exploring how multinational companies (MNCs) from emerging countries transfer their Human Resource Management (HRM) policies and practices to subsidiaries in developing countries, especially within the context of Nigeria. Primarily, this chapter highlights: the background of the study and within this the nature of the HRM policies in Nigeria and MNCs from emerging countries is discussed; the distinction between MNCs from emerging economies and western countries is explained highlighting the

importance of EMNCs in global transactions; and some gaps are identified in the existing literature in relation to human resource strategies of MNCs. Following this, the aims and objectives are outlined, alongside a summary of the methodology applied. In conclusion, a structure of the thesis is provided at the end.

1.2 Background of Study

Nigeria is one of the most populous countries in Africa with an estimated population of 170.12 million in 2012 (Marketline, 2013). There has been an increase in its foreign direct investment (FDI) amongst other countries in Africa as a result of its population and human resource. Foreign and local companies have increased their interest in Nigeria, thus the need for capabilities to be built and local competences to be enhanced. The knowledge of HRM in Nigeria and the factors that could influence these practices are important to note in order for businesses to thrive. Hence, local customs, values and external cultural influence cannot be separated from the way things are done.

Globalisation has led to the opening up of different economies, the increase of MNCs which in turn has led to the transfer of knowledge across borders but with the anticipated advantages and remaining competitive especially for organisations in developing countries has been an uphill task which in turn has affected the employment systems adversely (Debrah and Budhwar, 2004; Debrah and Smith, 2002). This is due to the diverse nature of the continent on different dimensions (Horwitz, 2008) which includes: the level of political advancement; the different colonisation legacies; the intensity of economic advancement; the different norms, ethnicity and religious inclinations (Adeleye, 2011). In Nigeria, the concept of HRM was introduced during the colonial era in 1940; since then, with the era of industrialisation and commercialisation, HR has grown rapidly. With its growth came some challenges. Fajana (2009) emphasised that HRM practices in Nigeria have been strongly influenced by the socio-cultural diversity. The conditions for employment rely on cultural background, gender, educational background etc. What this implies is that for an average Nigerian to be gainfully employed, it is dependent on the variables mentioned above.

Nigeria amongst other African countries has an abundant labour force and talent; the challenge has been how to develop, retain and deploy them. This led to the proposition made by Fajana and Ige (2009) that in order to achieve maximum performance, effective management is imperative. HRM is still growing in Nigeria, so much academic research is vital in this area; there is no HRM model in Nigeria currently. This is a major challenge and most HR practices in Nigeria are adopted from other countries. According to Azolukwam and

Perkins (2009), historically, MNCs' transfer of practices has been from developed countries; however, Schuler *et al.* (1993) and Teagarden and Von Glinow (1997) posited that this was an acceptable mode of operation until the 1970s when the operations of organisations became quite complex, therefore imported practices will not work except adapted to operating, host country conditions (Hodgetts *et al.*, 1999; Hoskisson *et al.*, 2000). Azolukwam and Perkins (2009) further reiterated that being sensitive to the individual historical, economic, political and social contexts could facilitate transfer of HRM practices from host country cultures to developing nations like Nigeria. HRM practices have been enhanced with the advent of democracy in Nigeria, with an increase in expatriate quota allowed (Fajana *et al.*, 2011). Technologies have been imported in order to improve HRM in Nigeria; notwithstanding, training still lags behind; therefore in order to manage this, the employment of expatriates is being encouraged. In Nigeria, organisations implement a 'new management technique' so as to run a cost-effective system; it has been stated that there is a clear dichotomy of HRM practices in Nigeria from what is obtainable in other nations (Fajana *et al.*, 2011). Notwithstanding, this is still an area open to further investigation due to the peculiarity of institutional and cultural characteristics in Nigeria.

Emerging Multinational Companies (EMNCs)

The concept of emerging market multinational (EMNCs) began when it was first considered by the International Finance Corporation (IFC) in 1981 and it was used to represent upcoming stock markets (Aybar and Thirunavukkarasu, 2005). However, since then, this concept has been evolving significantly and has been attracting a lot of research. Basically, EMNCs are companies "with their country of origin being an emerging market" (Wilkinson *et al.*, 2014) which also relates to MNCs from emerging markets (EMs) vis-a-vis the western MNCs which have historically dominated the international scene.

More specifically, according to Lao and Tung (2007: 482), emerging markets are defined as markets that

"have undergone significant structural transformation in the recent past... represent[ing] countries whose national economies have grown rapidly, where industries have undergone and are continuing to undergo dramatic structural changes, and whose markets hold promise despite volatile and weak legal systems".

In addition to this definition, Gammeltoft *et al.* (2010) in turn emphasised that emerging countries (ECs) as "emerging and developing" economies constituting a large, diversified

number of countries implying that generalising across a cluster of countries should be affirmed with extreme carefulness because these countries have a diverse population.

It is also important to mention that EMNCs are not companies that are homogenous; hence, having a broad view or making sweeping generalisations should be avoided as each one had a different approach to internationalisation (Adrian *et al.*, 2014). Similarly, the authors supported by Lao and Tung (2007), agree that a number of features are shared by the emerging market that distinguishes them from their counterparts from the developed world. The World Bank classified them as lower/upper-middle income countries rapidly growing more than industrialised economies and are likely to implement a vast range of economic policies in support of laissez-faire systems.

The literature has identified three variables utilised in the classification of emerging Markets (EM); they are: population's living standard (measured by looking at the average GDP per capita; rate of economic growth (measured considering the growth rate of the GDP); and government economic policies which are used to sustain economic growth rate and promote the standard of living of the populace. A number of organisations have defined and classified EMNCs in a number of ways.

Additionally, EMs have certain characteristics, according to Constanza (2012), such as: institutional upheavals and lesser development in comparison to developed countries. Sandberg (2012) puts forward that categorising EMs should consist of developing economies undergoing some structural adjustment from an economy that is planned centrally or from what was referred to as "pre-market stage" to an established economy comprising of a number of integrated markets, societies and organisations.

In spite of the similarities in the definition of EMs in various studies, it is important to note that the definition is debatable and quite fluid and there is a fast-changing situation as there are a number of classifications (for example, classifications by MSCI Barra Index 2012, FTSE Index 2012, and UNCTAD 2006), and the boundaries of EMNCs as it has to do with internationalisation seem rather unclear (Jormanainen and Koveshnikov, 2012) and no consensus has been reached between them (Wilkinson, 2014). Therefore, this could be one It is difficult to have a one definition and a framework which could tie together MNCs from all emerging economies. From the literature, there are a number of countries listed as emerging between 10 and 60. UNCTAD (2012) suggests that 10 countries from Latin America and Asia are classified as emerging and countries like Russia, India and China are excluded; whereas these countries are listed under another organisations' classification as emerging. Countries from Africa and the Middle East are also excluded. This statistic has been used by

a number of studies (Kudina & Pitelis, 2014; Maschek & McAllister, 2009) but due to its limitation, studies are not adopting the UNCTAD list rather a comprehensive one which includes other continents. It is noteworthy to point out that amongst the 60 countries categorised as emerging by recognised organisations, only 20 countries were consistently cited by no less than 5 organisations out of 8 (see table 1.1 for details on this). The countries include: South Africa, Egypt, Turkey, Brazil, India, Indonesia, the Philippines, Hungary, Morocco, Russia, Columbia, Thailand, the Czech Republic, Mexico, Poland, Argentina, Chile, Malaysia, China and Peru. This shows that it might be difficult to provide a concise definition of the concept; having mentioned that, a number of definitions would be reviewed to understand how emerging markets are classified.

Accenture (2007) defined emerging market multinational companies as companies from emerging countries (ECs) with subsidiaries in a minimum of one country. They also include companies from “newly industrialised Asian countries” as categorised by the IMF (International Monetary Fund, 2007).

Furthermore, Lao and Tung (2007, p. 482), defined EMNCs as...

international companies that originated from emerging markets and are engaged in outward FDI, where they exercise effective control and undertake value-adding activities in one or more foreign countries.

Generally speaking the literature indicates, MNCs from ECs are smaller in size with relatively limited resources at their disposal, little international experience, weak institutions and latercomers to the global scene compared to their counterparts from developed countries (Thite *et al.*, 2012; Gammeltoft *et al.*, 2010; [Kumar and McLeod, 1981](#)). Accordingly, they argue that this restricts their ability in transferring HR practices across borders (Hussain and Jian, 1999; Lall, 1983; Wells, 1983; Guillen and Garcia-Canal, 2009).

Nevertheless, evidence reveals that EMNCs have some insightful strategies enhance their competitive advantage in global operations (for instance, Williamson *et al.*, 2013, Ramamurti and Singh, 2009). These strategies include: competing globally and achieving economics of scale and scope in production and marketing; outsourcing large scale production for global brands; gaining global knowledge; and acting as consultants and gaining competitive strength from interfacing and understanding complex needs of their clients; seeking natural resources; and expanding to other emerging markets and capability augmentation (Contractor, 2013). These strategies are not limited to EMNCs as they are adopted by developed MNCs. Nevertheless, in comparison to developed MNCs, EMNCs are ‘more likely

to be born global' expanding more rapidly to diverse countries than developed MNCs (Demirbag and Yaprak, 2015: 46).

Overall, the expansion pattern of EMNCs is significantly different to market-seeking or home firm-specific asset-exploiting strategy that has been employed by MNCs from developed countries. Only a number of EMNCs assume dominance; instead they assume a disposition of a 'boxer facing a heavier opponent' strategising how best to overcome the challenge (Contractor, 2012 in Demirbag and Yaprak, 2015: 47).

Although there has been growing research in rather advanced Asian economies, for example, Japan, Singapore, Taiwan and South Korea (Chang and Taylor, 1999; Chang *et al.*, 2009; Chang *et al.*, 2007; Glover and Wilkinson, 2007), other emerging giants like China and India have not been sufficiently explored (Ferner, 2009). Furthermore, although many MNCs are increasingly expanding their operations in developing economies due to globalisation and other changes in world economy, few researchers have embarked upon research about the transference of practices in these countries, especially African countries, (Al-Husan and James, 2003, Kamoche, 2011) and particularly in Nigeria (Ayanda and Sani, 2010).

Table 1.1 Lists of various EMs found in the literature

	Study	Data source	Emerging countries list
1.	Aybar & Thirunavukkarasu, 2005	UNCTAD	UNCTAD
2.	Contessi & El- Ghazaly, 2010		
3.	Sauvant, 2008		
4.	Andreff, 2002		
5.	Kumar, 2007	World Bank	IMF
6.	Groh & Wich, 2012	UNCTAD	IMF
7.	Hoskisson <i>et al.</i> , 2000	World Bank	IFC definition for 1999, which included 51 countries.
8.	Kudina & Pitelis, 2014	UNCTAD	Modified UNCTAD definition of developing countries. They focused on developing countries receiving annual FDI inflow of more than 0.5 billion \$.
9.	Sauvant <i>et al.</i> , 2009	UNCTAD	EMs comprise countries classified by UNCTAD as developing and transitional countries.
10.	Cortesi, Plantoni, 2011	UNCTAD	EMs comprise countries classified by UNCTAD as developing and transitional countries.
11.	Akbari, 2012	The Security Data Company (SDC) Platinum database provided by Thomson Reuters	Revised IMF list of emerging countries, using the human development index and growth rate. The proposed list included 27 countries.
12.	Andreff & Balcet, 2013	UNCTAD	Compiled a list of 19 countries that were commonly classified as emerging by different international organisations.
13.	Bonaglia, Goldstein & Mathews J, 2006	Various sources	Case studies approach
14.	Goldstein & Pusterla, 2008	UNCTAD	EMs comprise countries classified by UNCTAD as developing and transitional countries.
15.	Deng, 2012	UNCTAD and the SDC Platinum database provided by Thomson Reuters	Thomson emerging countries list
16.	Berrill & Mannella, 2012	FT G500 firms	Financial Times Stock Exchange (FTSE) and the Morgan Stanley Capital International (MSCI) lists of emerging market economies

Source: Sakr and Jordaan (2016)

Distinction between western MNCs and MNCs from emerging economies

Drawing a contrast between emerging MNCs and MNCs from developed countries, we begin to see the bigger picture of the story. According to Guillen and Garcia-Canal (2012), over three years (2008–2010) companies from emerging economies, listed in the Fortune 500, have increased from 78 to 117. It is noteworthy that the R&D from top investors has doubled over the past five years (2004–2009) from 60 to 120. Currently, there has been an increase to 41% if EMNCs across borders are taken into account. It is important to assess the significance of MNCs from emerging economies considering the fact that much research has been done regarding MNCs from the USA from a US-centric perspective explaining outward flow of Foreign Direct Investment (FDI) into North America or European countries from the USA or European countries (Singh, 2012). Subsequently, other studies have been conducted on the flow of inward FDI from MNCs in other developed countries into USA. However, there is little evidence explaining the inward and outward flow of FDI into emerging and developing economies (Gaur *et al.*, 2011). Since the 1980s business activities have grown rapidly in ECs; this is evidenced in the study conducted by the Boston Consulting Company where 100 top firms from 12 ECs with total revenues at US\$715 billion and 24% annual growth were recorded (Aguiar *et al.*, 2006).

In 2007, 70 EMNCs were listed on the *Fortune 500* list of the world's largest companies, which has increased as 20 companies were listed in 1998; from the new entrants listed, there were 4 new entrants from the Chinese market, and companies like Mexican telecommunications, América Móvil and PKN Orlen Group, a Polish petroleum company. The impact of EMNCs is also felt in certain structures and ownership of industry; so many western brands have now been taken over by EMNCs: for example, a famous tea brand, Tetley, has been taken over by the Indian Tata group. EMNCs are on a race for acquisition from different industries; over 1,100 mergers and acquisitions (M&A) in 2006 worth US\$128 billion was sealed in various industries globally (Accenture, 2007).

According to the chief economist, Jan Hatzius, at Goldman and Sachs, there is bound to be an acceleration of growth in terms of GDP globally in 2015 compared to 2014; in figure 1.1 the percentages are highlighted and the emerging market compared to the world and developing markets is increasing significantly from 4.6% in 2014 to 4.9% in 2015; unfortunately their figure does not include any information on Africa; table 1.1 highlights data that includes Africa and other regions and economies globally.

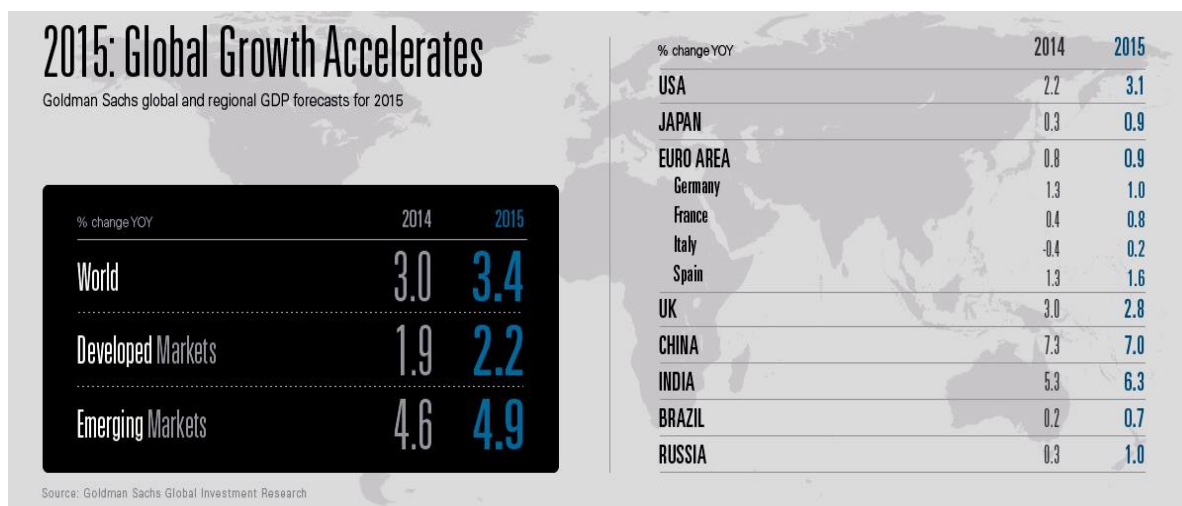


Figure 1.1: 2015: Global Growth Accelerates

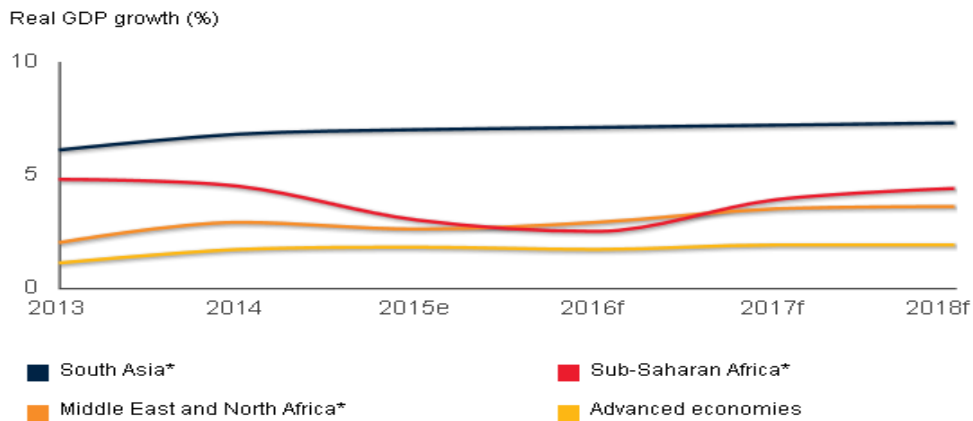
Source: Goldman Sachs (2014)

Table 1.2 Regional Real GDP Growth (%)

	2014	2015e	2016f	2017f	2018f
Regions/economies					
Europe and Central Asia	1.8	-0.1	1.2	2.5	2.8
Latin America and the Caribbean	1	-0.7	-1.3	1.2	2.1
Middle East and North Africa	2.9	2.6	2.9	3.5	3.6
Sub-Saharan Africa	4.5	3	2.5	3.9	4.4
East Asia and Pacific	6.8	6.5	6.3	6.2	6.1
South Asia	6.8	7	7.1	7.2	7.3

Source: World Bank (2016)

Fig 1.2 Regional Real GDP Growth (%)



Source: World Bank (2016) According to Warner (2011a; 2011b), in the *Fortune Global 500*, companies from Brazil, Russia, India, China, South Africa (BRICS) have been on the increase. Foreign direct investment (FDI) is also increasing owing to the M&As across borders, which have grown to US\$200 billion in 2007 from US\$50 billion in 2003 (UNCTAD, 2008). Despite the financial crises, half of FDI still goes to emerging countries, and they account for about 25% of outflows of FDI (UNCTAD, 2010). Furthermore, according to the report, EMNCs are helping to revive the global economy by leading the recovery of FDI (UNCTAD, 2010). The growth of emerging economies (EEs) is of great importance to international business (IB) scholars and this has led to an increase in research on this topic (Wright *et al.*, 2005). Many researchers have argued that the early theories that were put forward from the US and European contexts cannot be universally applied in different contexts without some form of adaptation and modification (Shenkar and von Glinow, 1994).

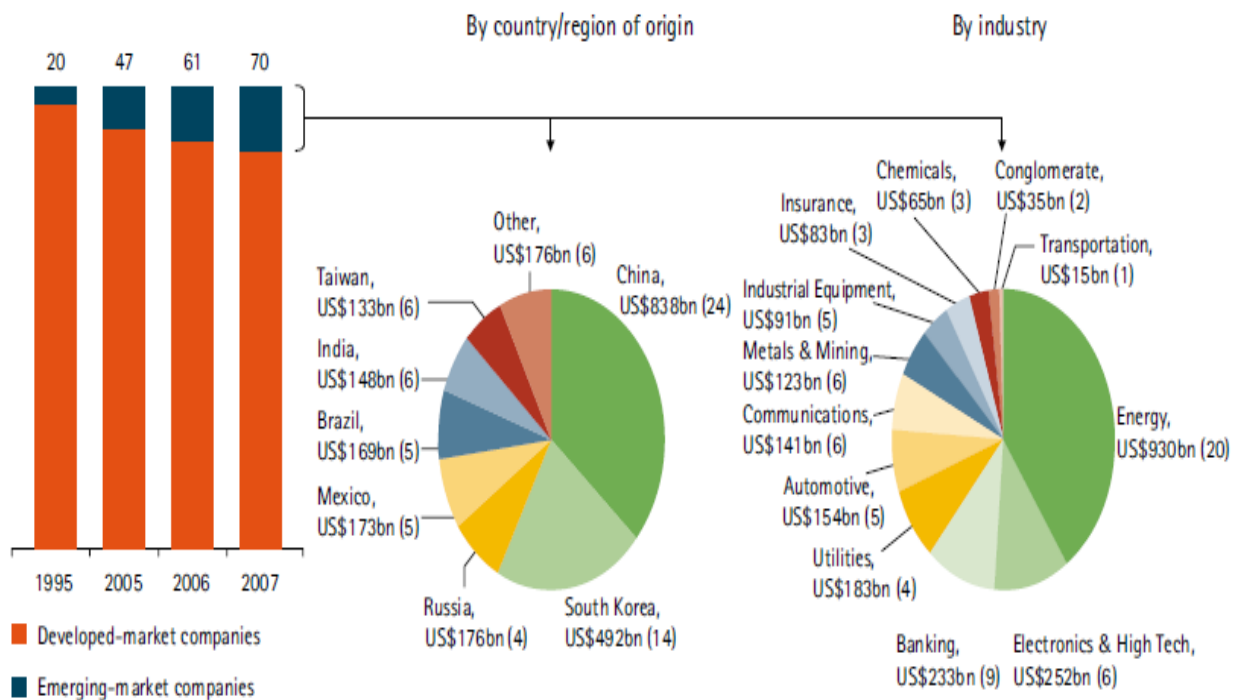


Figure 1.2: EMNCs in the Fortune Global 500

Source: Fortune Global 500

Although there has been growing research in rather advanced Asian economies, for example, Japan, Singapore, Taiwan and South Korea (Chang and Taylor, 1999; Chang *et al.*, 2009; Chang *et al.*, 2007; Glover and Wilkinson, 2007), other emerging giants like China and India have not been much sufficiently explored (Ferner, 2009). Chang *et al.* (2009) noted that limited research has been conducted to examine the transfer of HRM policies and practices of MNCs from emerging economies operating in developing countries. Garten (1996) pointed out that MNCs from emerging markets are becoming notably popular, including: Argentina, Brazil, China, India, Indonesia, South Korea, Mexico, Poland, South Africa, Turkey, and Russia. Furthermore, as many MNCs are increasingly expanding their operations in developing economies due to globalisation and other changes in world economy has embarked upon little research about the transference of practices in these countries (Al-Husan and James, 2003) and particularly in Nigeria (Ayanda and Sani, 2010).

Developing Issues in EMNCs

There were a series of articles released in a special publication that x-rayed some of the issues in EMNCs; also analysing their HR policies and practices. For instance Cooke (2014)

examined the nature and concerns relating to Chinese firms that are fast internationalising. She further noted that there are limited studies carried out with respect to Chinese firms in some sectors to do with the HRM policies and practices. In her research, she examined the HRM practices of MNCs from China and how their practices are shaped by institutional factors; she highlighted government's role together with other institutions in influencing the HR practices of organisations. The developmental role of the state in coordinating the growth of the economy via the extension of local investment and labour organisations to reduce labour conflicts at production point was also emphasised in her study.

Arp (2014) in his research examines the appointment of foreign top management from culturally distant countries to positions at the HQs by EMNCs. His study explains the reason for this in spite of the cultural distance and what they bring to the table and the reason why those positions are not occupied by the executives from the host nation. Hence, his study sought to imply that there are advantages of foreignness which present opportunities for managing change and taking up roles perceived as controversial by the local executives, but this is not without the risk of being considered a scapegoat because of their "outsider status" (Arp, 2014).

Jackson (2014) in his study highlighted information on undesirable Chinese African engagement in the field of HR. He pointed out that profitability motives can be adapted by the broader socio-political intentions. He further explored the adaptation of humanism implemented in the African context in relation to the Confucian relationalism. Nevertheless, the approach of management by the Chinese managers may differ to western management. He also highlighted the differences in the Chinese strategic and organisational level engagement, signifying that a lot of organisations of Chinese origin may be promoting employment but not necessarily developing employees. Findings from his study revealed that although there is an indication of engagement in projects with the host communities nonetheless not at the organisational level. Jobs are available but working conditions are unfavourable. The Chinese paternalistic culture, values attitude, tall hierarchy, disregard for industrial relations and some other characteristics that maybe disadvantageous to foreigners is imported into Africa

Thite, Budhwar, and Wilkinson (2014) explored the low labour cost as a source of competitive advantage for so many EMNCs; it is the ability to configure people, procedures and know-how that specifies the advantages derived from resources that are not tangible. The research explores four EMNCS in the IT sector and also explored the role of HR; five key roles were identified. The challenges of consolidation were also highlighted– centralised

decision making, adaptation of employees, global leadership development and having a “global mind-set”. Following their findings, a framework was proposed highlighting the role of global HR of IT MNCs and the influencing factors and issues facing the role of HR in the future.

Zhu, Zhu, and De Cieri's (2014) study acknowledged that some researchers acknowledge the country of origin effect and additional factors that influence transfer of practices. They pointed out that there is limited study with respect to the types of effects, the process through which they occur and this type of effect in EMNCs. This research explores this effect in relation to 21 Chinese MNCs where they found that country of origin effect is demonstrated implicitly via management philosophy transference. The main process of transfer is the top manager's beliefs instead of established procedure and tools. Furthermore, these managers were supposed to localise their philosophy.

Overall, all these papers have a common theme which is that the country of origin has little impact in the process of transfer of practices. Instead of transferring specific and national adapted policies, the western practices are adopted.

1.3 Outlining the Research Gaps

The literature and research evidence indicate that research on MNCs has focused mainly on those from developed economies establishing subsidiaries either in other developed countries or in developing countries (Thite *et al.*, 2012). In contrast, much less has been written on multinationals from emerging economies, and what is published so far focuses on limited contexts (UNCTAD, 2004; Chang *et al.*, 2009). Secondly, research on global HRM has not paid enough attention to MNCs from emerging economies and very little is known about the influence of the different structural and environmental factors, such as the home country and host country environments on the HRM strategies and practices at subsidiary level of MNCs from emerging economies (Thite *et al.*, 2012; Chang *et al.*, 2009). Indeed, it is argued that the growing importance of emerging economies and MNCs from emerging markets has led to an upsurge, for example, of strategy research on the topic (Wright *et al.* 2005), while research on human resource management (HRM) has not kept pace with the research on MNCs from emerging economies (Wilkinson *et al.*, 2011).

Secondly, a number of HRM scholars argue that the underlying processes of transferring HRM policies and systems across borders have often been neglected and that there is a dearth of theoretical and empirical evidence concerning processes in the context of IHRM systems (Festing and Eidems, 2011; AIL-Husan *et al.*, 2014). For example, Dickmann and

Müller-Camen (2006: 581) argue that “there is a need to look at communication and coordination processes within IHRM; the precise international communication and coordination instruments and activities within the international HR function of MNCs are not fully researched, yet.” Consequently, a number of researchers have called for conducting more work that focuses on the 'how' and the processes of transfer (e.g. Fey *et al.*, 2004; Smale, 2007; Festing and Eidems, 2011; Al-Husan *et al.*, 2014).

Thirdly, there is a little existing research on the role of the subsidiary HR department in relation to the development, implementation and integration of HRM practices (Stiles and Trevor, 2006; Al-Husan *et al.*, 2013).

These gaps in the literature are problematic and it is clear that the importance of emerging economies is growing; multinationals from emerging markets have become increasingly prominent on the international scene as they have emerged as significant outward investors and the growth rate of the number of MNCs from developing countries and transition economies over the past 15 years has exceeded that of MNCs from developed countries (Wright *et al.*, 2005; UNCTAD, 2007, 2010). Accordingly, this research addresses these weaknesses in the literature and contributes to knowledge and literature on international human resource management by extending the scope of international HRM to embrace MNCs' transfer of HRM policies and practices from emerging countries where there is dearth and visible lack of research in this area. In fulfilling the purpose of this research, HRM policies and strategies of MNCs from emerging economies are explored within the context of Nigeria, as little attention is also given to subsidiaries based in developing countries with respect to HRM strategies compared to developed economies (Lawler *et al.*, 1995; Arthur *et al.*, 1995; Napier and Vu, 1998; Myloni and Harzing, 2001).

1.4 Aim and Objectives of the Study

The overall aim of this study is to understand and analyse the transferability of Human Resource Management (HRM) practices of multinational companies (MNCs) from non-western origin/ emerging economies within their operations across borders, informed by managerial views of subsidiaries located in Nigeria.

In order to achieve this aim, the following objectives were identified:

- I. To understand the nature of HRM policies and practices applied in the subsidiaries in Nigeria.

- II. To analyse the process of transfer of HRM policies and practices into the subsidiaries.
- III. To evaluate the factors that may have influenced the transfer of HRM in the MNCs' subsidiaries.
- IV. To examine the role of the subsidiary HR department in the transfer of HR policies and practices.

1.5 Outline of the Research Methodology

The research is exploratory and seeks to understand the nature of the transfer of HRM policies and practices by MNCs from emerging economies, which is an under-researched area of IHRM. In order to achieve the aim and objectives, data were gathered from both primary and secondary sources. The focus of the secondary research was on reviewing existing literature in the areas of international HRM regarding the transfer of MNCs' policies and practices, processes of integrating HRM policies and practices, factors influencing this transfer and the role of HR. The input of the literature review assisted in the research question formulation, which was invariably helpful to the researcher in deciding the type of data to be collected and the organisations to be considered.

A qualitative research method is considered most appropriate to facilitate the achievement of the research's aim and objective. Hence, four detailed case studies were conducted of subsidiaries of EMNCs in Nigeria. This study involved establishing close contact with the subsidiary managers, HR managers and line managers to get the "direct experience of social settings and fashioning an understanding of social worlds" (Bryman and Bell, 2007: 627).

The research was conducted over a period of three years, which was broken down into three stages. The first stage involved the initial pilot study where data was gathered on the nature of HRM strategies and policies of the companies selected. This data was gathered from HR managers and specialists, line managers of other functional departments, senior managers and others who are involved with people-related issues on the nature of HRM policies applied in subsidiaries of MNCs from emerging economies and their approach to the management of their human resources in overseas subsidiaries. The other two phases entailed a follow-up interview in order to explore some emerging questions and themes in

depth. The data was collected through semi-structured interviews. A total of 48 interviews was conducted with the participants from the Nigerian subsidiary of the case organisations.

The findings were recorded; each interview lasted for approximately one hour. These interviews are supported with some documentary evidence which was gathered from other sources such as: the organisation's website, annual reports, published newsletter and journals, organisational organogram and official policy statement.

1.6 Structure of the Thesis

This thesis is divided into nine chapters. The first chapter provides a synopsis of the area being investigated; it also outlines the significance of the study, the research aim and objectives and the structure of the thesis.

Chapter two provides a thorough review of literature on international HRM regarding the transfer of MNC policies and practices, the factors influencing this transfer, the process of integrating HRM policies and practices and the role of HR. This chapter concludes with highlighting the implication for the literature reviewed considering the present study in line with its rationale and design.

Chapter three considers the methodology chosen for this research and the views that informed the choice. It also provides an explanation of the qualitative, multiple-case method which was adopted for examining the various themes, and in addition, how the data were gathered using a variety sources: interviews and documentary evidence with top management officials at the subsidiary level.

Chapters four, five, six and seven describe the cases of four EMNCs (T-SA, T-UE, B-SA and B-SP, respectively) operating in Nigeria. These MNCs are from emerging countries (South Africa, the United Arab Emirates and Singapore) and are from two sectors (Financial and Telecommunication) having their subsidiaries in Nigeria. The cases constitute of two main sections: description of the company and HRM practices applied in Nigeria. The HRM practices described are: recruitment and selection, compensation and benefits, training and development, performance appraisal and employee consultation; also, the process of transfer from the parent country (PC) to the host country (HC). In this chapter, each case is given a within-case analysis providing a general view of the company, a description of the HR practices applied in the subsidiary, and the factors influencing transfer, coordination and control strategies and the role of HR.

Chapter eight compares and contrasts the findings from the four cases described in the previous chapters.

Finally, chapter nine provides a conclusion in line with the aim and objectives of the study: presenting key findings of the study, the implications for EMNCs and pinpointing possible areas of further study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Relevant literature to this study is reviewed, covering a wide range of topics such as: Human Resource Management (HRM) practices, organisational theories, the role of HR, processes of integrating HRM practices and determinants of transfer of HR policies and practices. The review of literature in this area will help to ascertain the relevance of the study of the transfer of HRM policies and practices in developing countries within the context of multinational companies from emerging economies. Considering the fact that little has been written on multinationals based in emerging markets and what is published focuses on limited contexts (UNCTAD, 2004; Chang *et al.*, 2009), it is important to explore this field further in order to ensure that the literature is focused yet robust enough in the scope of this study. Finally, this chapter is concluded by discussing the four research questions in section 1.3 and elucidating how this study intends to contribute to existing knowledge in these areas.

2.2 HRM Practices

In defining HRM practices, it seems pertinent to discuss HRM practices within the context of HRM philosophies, policies and tools. According to Schuler (1992), HRM philosophies refer to the value placed on people and how they are treated. Bratton and Gold, (2007: 7) gave a new perspective to HRM defining it as a strategic approach used by organizations for managing employment relations and for achieving competitive advantage by leveraging individuals' capabilities. This competitive advantage is achieved by using a distinct set of integrated employment practices, programmes and policies. The emergence of this definition by Bratton and Gold highlighted the importance of HRM in achieving competitive advantage and improving organisational performance (Alcazar, Fernandez and Gardey, 2005; Wright, Gardner *et al.*, 2005; Boxall and Purcell, 2011).

Policies on the other hand are referred to as a set of guidelines on how different people-related issues are handled, and this is influenced to a large extent by the philosophies of the organisation. Policies influence the establishment of particular HRM practices related to some recruitment and performance appraisal practices, for example, Schuler (1992), and this may be facilitated with the help of some HRM tools such as templates, various documents or a computer scheme.

Organisational practice is referred to as “particular ways of conducting organisational functions that have evolved over time under the influence of an organisation’s history, people, interests and actions that have become institutionalised in the organisation.” (Kostova, 1999: 309). Szulanski (1996) defined organisational practice as using organisational knowledge routinely. Both definitions are used in relation to HRM practices.

Previous studies in the field of IHRM have outlined various differences across individual HRM practices and some of these researchers have emphasised the need to examine the practices of HRM separately rather than aggregately (Lu and Björkman, 1997). For example, in the study carried out by Fey *et al.* (2004) across three subsidiaries of a Swedish MNC where their HRM practices were compared, it was discovered that the extent of standardisation/localisation of their practices varied across the countries. Also Myloni *et al.*’s (2004) study of a Greek MNC also portrayed that the degree of localisation and/or standardisation was not the same for the individual subsidiary HRM practices. This current study focuses on four HRM practices: recruitment and selection, training and development, rewards and performance appraisal. In previous studies, different practices have been used; in Boselie *et al.*’s (2005) 104 empirical studies on HRM, they found that these four practices were the most commonly used in the HRM work. Hence, the reason for focusing on these practices in this study is that it facilitates comparison with past research. Finally, consistent with Paauwe’s (2009) study these four practices are considered as fundamental IHRM practices.

Different scholars have identified that there are differences across employees regarding the implementation of HRM practice; hence, they advised regarding the assumption of applying these practices across large number of employees within an organisation (Lepak and Snell, 1999; Wright and Boswell, 2002). Also, the nature of these differences could be noticed at the subsidiary level where practices regarding expatriates differ from that of the local managers and professionals, and which is most likely to differ from that of the ground staff. However, the focus of this study is on HRM practices in relation to the subsidiary managers and professionals.

The increasing attention on intended versus actual HRM practices has called for more research in this area (Huselid and Becker, 2000; Wright and Nishii, 2007). This highlights the question of how practices determined to be feasible by the headquarters are applied in the subsidiary. Besides, these practices could be implemented in a different way than was intended originally and to various degree by employees at different levels. (Wright and Nishii, 2007), for example, HR professionals and ground staff. This has certain consequences for

data collection: for example, the HR managers may be aware of the practices to be effected in the subsidiary but they may not know how these practices have been put into operation nor, invariably, the actual practices that exist.

2.2.1 HR practices of MNCs from emerging countries

According to Horwitz and Budhwar (2015), the focus of research has been dominantly on MNCs from developed countries entering into developing (e.g. UK to India) or other developed economies (e.g. UK to Germany) with their subsidiaries. MNCs from the USA have frequently entered the European market and MNCs from the UK have entered the Indian or Chinese markets (Ferner *et al.*, 2004). Nevertheless, there is a dearth of studies on the transfer of practices focusing on newer industrialised economies or emerging economies to developing economies (Glover and Wilkinson, 2007). Recently, we are witnessing the emergence of new, progressive economies into the global business arena other than developing and developed economies, which has also been referred as new geography of investments. UNCTAD (2010) has categorized the emerging economies from developing economies in an adequate manner by stating the example of Singapore as an emerging economy which is newly industrialized but contains an adequate background as an outward investor and the example of India as a rapidly developing economy.

The increasing importance of emerging economies such as Singapore for the global business world has led to an increasing shift of focus and attention towards strategy research (UNCTAD, 2010). However, in the context of international HRM, not enough attention has been paid to the MNCs with their home country in emerging economies instead of developed countries (Fajana, 2011). This is important to know and understand because MNCs coming from emerging economies are not as large as MNCs from developed countries; furthermore, they possess comparatively lower international exposure and resources. Thus, the mechanism and implementation of the transfer of HRM practices towards their subsidiaries will be limited in terms of their ability to conduct it effectively apart from being varied in comparison with their counterparts from developed countries (Guillen and Garcia-Calan, 2009). In this contextual aspect, Singapore and Japan have attained the focus of research representing emerging economies (Chang *et al.*, 2007), whereas South Africa and the UAE have gained less attention and insufficient exploration (Ferner, 2009).

2.2.2 Examples of Brazil, South Africa and Singapore

This section provides understanding regarding how HRM is being implemented in MNCs from emerging economies, which will assist in developing adequate understanding of the

transfer process from these MNCs to their subsidiaries in Nigeria. Extensive data and information are available regarding how HRM is being treated in MNCs from developed countries. However, the treatment of HRM in MNCs from emerging economies is still under-researched. Moreover, it has been stated by various researchers that national culture tends to have an effect on the MNCs' HRM practices (Fluery and Fluery, 2011; Bhagat *et al.*, 2007), which means that national cultures of emerging economies/states will also have considerable impact on the treatment of HRM in their MNCs. Consequently, it is important to examine this perspective of MNCs from emerging economies for introducing appropriate and effective control to the transfer process. Brazil is an emerging economy and MNCs from this country possess a visible reflection of Brazilian management style, such as improvising creatively, focusing on short-term thinking, power distance and loyalty (Chu and Wood, 2008). The management model in Brazil has posed clear impact on the HRM practices of its MNCs, i.e. team management, promotion, and evaluation of performance (Tanure and Duarte, 2005). It has been argued that this heavy influence of the Brazilian management model can lead to direct impact on the competencies of HRM while the Brazilian MNCs engage in international activities. In this context, uncertainty avoidance and power distance are two such dimensions that are prominent in Brazilian management (Hofstede, 2001). HRM practices in Brazilian MNCs are centralised in decision making with greater control over their subsidiaries (Chu and Wood, 2008).

Silva (2010) argued that these cultural dimensions of Brazil and its management model tend to influence HRM functions of these MNCs and the way they manage their subsidiaries. MNCs from Brazil tend to greater control in their HRM functions as a result of the impact of cultural characteristics of Brazil. This explains the lower autonomy given to subsidiaries and the transfer of HRM practices from headquarters by Brazilian MNCs. However, it has been asserted in the literature that subsidiaries should firstly use competencies that belong to their headquarters and this same approach is being pursued by MNCs from Brazil.

According to Daven and Saunders (2000), South Africa has had a history of relationship with the continent which is considered complex, and the election in 1948 of the National Party did not help matters as this further led to the isolation of the country from other countries within the continent, especially Zambia which gained independence in 1964. There was a series of events which increased South Africa's isolation. There was the establishment of the new African National Congress (ANC) after the apartheid government's leader was incapacitated temporarily by stroke in 1989 (Wood, 2015). Since then, South African MNCs have become more popular since apartheid ended (Wood, 2015). It is important to note that South African MNCs still bear the baggage of their historical experiences; nevertheless, they leverage on

benefits of an area, having a big market and also on the fact that they are quite experienced in managing in other African contexts (Wood, 2015). This has come with a lot of success stories (for instance M-Tel) but at the same time, there were some cases of challenges given by their inability to understand the political terrain and local needs, may be this was as a result of years of being detached in the apartheid environment (Wood, 2015)

Horwitz (2008) conducted a comprehensive study on HRM practices by focusing on South African MNCs. The finding highlighted two vital developments that have posed significant effects on the management practices of South African MNCs. However, from the perspective of MNCs in contemporary South Africa, it is common perception today that alternate sustainable models and strategies are required for addressing the issues of HRM practices and knowledge management; which means the landscape of HRM is not smooth within South African MNCs (Newenham-Kahindiet *et al.*, 2013). South African MNCs have taken seriously the influence of increasing competition, information technology, knowledge-based economy and globalisation, which constitutes the first development aspect as it was visible in post-apartheid SA. As part of this development, the internet and increasing communication levels have made significant impacts on the way South African MNCs pursue their management functions. Horwitz *et al.* (2006) observed that the impacts of these changes have been dramatic on the HRM policies and practices, making it the second development in this respect. Moreover, the South African MNCs also employ different models of citizenship behaviour such as civic virtue, organizational loyalty and sportsmanship (Podsakoff *et al.*, 2000), and most of such approaches overlap with popular competencies that MNCs from developed countries demand. However, these changes have made significant impact on different human resource practices which reflect the unique landscape of HRM practices in South African MNCs. Overall, the HRM practices implemented by most South African MNCs are lagging behind the HRM practices that are implemented by MNCs from developed countries with primary focus on paternalistic orientation of HRM practices (Erasmus *et al.*, 2009). And this is as a result of the heavy influence of the South African national state and trade unions. Therefore, in recent years South African MNCs have started to adopt HRM practices that are being implemented in the MNCs of developed countries. Flexible working practices were not used by South African MNCs in the past and decision making was centralized, which has started to change (Zakaria *et al.*, 2016). Performance-based pay and multi-skilling are now being adopted by South African MNCs. Few South African MNCs such as MTN, Nandos and Sasol have undertaken thane integration strategy for being part of the global domain, i.e. integrating with European policies of stimulating relationships across all management levels. For enhancing

competitiveness and performance, South African MNCs have started to formulate HR practices which are based on western standards. However, the organizational and national institutional cultures visible in South African MNCs such as Indaba (debates in groups), Sebenza (problem-solving teams) and Ubuntu (respect, harmony, hospitality) are distinct from western culture where individualism is given priority, i.e. this South African culture is grounded in human relations and tends to include various stakeholders while engaging in developing or enhancing HRM practices (Jackson, 2002; Collings and Wood, 2009). These informal institutional cultures and norms especially *Ubuntu* came under what is known as *ubuntu* management amongst others, which was popular in the 1990s and was also introduced by some large corporations amidst the emphasis on equal employment opportunities and empowerment (Jackson, 1999, 2002, 2014). This is characterised by establishing human relations and tends to include various stakeholders in the organisation rather than “*seeing people as resources in an instrumental (Western) perspective*” (Jackson, 2014: 904). This signifies that the values of African society differ from that of their western counterpart that highlights individual achievement instead of placing an intrinsic value on people based on who they are, which is captured by the isiXhosa saying *Ubuntu ungamntu ngabanye abantu*, meaning “people are people through other people” (Jackson, 2014: 904). Nevertheless, Jackson (2004) noted that it is difficult to implement this in its original form; his research only identified two companies where these principles were adhered to and this was attributed to weak African societal values and the strong cross-vergence of westernised HRM and management principles resulting from the eminence of western education, MNCs and liberal constitutional guidelines. These cultural dimensions have allowed South African MNCs to move towards flat structures and decentralization by devolving the responsibilities and authorities downwards, i.e. from rigid controls to integrated corporate culture, which is similar to MNCs from developed countries. This shows that HRM practices in South African MNCs and especially HR practitioners have faced serious challenges over the years. Discrimination was another aspect which posed challenges for South African MNCs, i.e. retention of black staff and a white, male dominant culture ignoring black individuals, lack of human resource development, shortage of skilled black individuals, ignoring black staff regarding decision making etc. These issues also hampered the intentions of South African MNCs to enter a host country (Zakaria *et al.*, 2016). South African MNCs have started to converge with best international HR practices but they are facing challenges in this regard, i.e. accommodating their national culture in corporate HR strategies is a difficulty faced by these MNCs. As per HR practitioners working in South African MNCs, they are facing a few serious HRM challenges while converging, i.e. training and development, employment equity and performance management.

Consequently, hybrid or cross-vergence models are emerging in South African MNCs (Horwitz and Budhwar, 2015). Thus, it can be asserted that HRM practices in MNCs of emerging economies are shifting towards western dominant/ oriented HRM practices (Bae *et al.*, 2001; Ovadje and Ankomah, 2009; Rowley and Bae, 2002). Nevertheless, there is little doubt that some of the South African MNCs have coped a great deal better with a changed world than others, and this may explain a great deal more about their HR policies than simply the global dominance of liberal market HR paradigms (Wood, 2015).

2.3 Organisational Theories Applied in the Study

Different scholars of IHRM have applied a number of views from organisational theory in the study of HRM in MNCs, with different classification such as exogenous-endogenous, micro-macro and strategic-non-strategic (De Cieri and Dowling, 1998). Wright and McMahan (1992) conducted research in which they reviewed organisational perspectives: they focused on six macro-level theories and categorised them along strategic (transaction cost/agency theory, behavioural perspective, resource-based view, systems) vs. non-strategic (resource dependence, new institutionalism) dimensions. These perspectives were also the focal point in the review paper of Di Cieri and Dowling (1998) on IHRM (or as it was called by them: SHRM in MNCs) with the exception of the system perspective. They also added strategic choice, which in line with Ferris *et al.*'s (1999) terminology, HRM political perspectives. There are a number of theories as mentioned before but in this study, the institutionalist and the culturalist theories are employed but the institutionalist would be used more extensively.

The Culturalist Approach

Cultural awareness is a very important aspect of international business. According to Schell and Solomon (1997), "the knowledge and understanding of culture affect the outcome of business ventures". It might be difficult to develop products which are marketable, maintain certain relationships or motivate any workforce without developing an insight into the ways of other people. According to Hofstede (1980), culture is "the collective programming of the mind which distinguished the members of one group or category of people from another". Three major assumptions could be drawn from this definition: the first is that there is the existence of national cultural differences; second, these differences can be drawn from various shared values; and third, these values influence the attitude and behaviour of people

at work. Other scholars (Kluckhohn and Strodtbeck, 1961; Herkenhoff, 2000) also share similar assumptions as well.

According to Nardon and Steers (2009:), multiple models and theories on national culture exist which concurrently impede the analysis of the cultural differences in organisations; this at the same time posed a major challenge in discussing the impact of culture in the transfer of HR practices which resulted in the emergence of divergent models on national culture. Currently, there are some six national culture models which are widely used in the literature of organisational research. These models include: Hofstede, Trompenaars, Hall, Schwartz, Kluckhohn and Schwartz and research done by GLOBE Associates.

Trompenaars Model: This study was focused on values and personal relationships across different cultures; it was carried out at Shell and with other managers for a period of over ten years. The study added to the study of Hofstede (1980) and Parson and Shils (1951) which presented seven different dimensions, namely: universalism-particularism, individualism-collectivism, specific-diffuse, neutral-affective, achievement-ascription, time perspective and relationship with the environment. Five dimensions focused on human relationships and the other two focused on time management and the relationship of society with nature (Nardon and Steers, 2009).

Hall's model: Using an ethnographic research, Hall (1981, 1990) analysed culture in terms of communication, space and time, in his research conducted in four countries: France, Germany, Japan and the USA. He developed terms like 'polychronic' and 'monochronic' which are generally used in cross-cultural management analysis (Nardon and Steers, 2009).

Kluckhohn and Strodtbeck's model: This model was birthed as a result of the studies carried out by Kluckhohn (1951) and Kluckhohn and Strodtbeck (1961). They presented culture from the standpoint of value orientations. They put forward an argument from the standpoint that a limited number of problems which are common to all human groups exist which have limited solutions and the societal values are distributed in such a manner that they aid the creation of a centralized value system. They came up with five different cultural dimensions: Relationship with people, time, nature, human activities and human nature; their studies were conducted in some five American Southwest subcultures.

Schwartz's model (1992, 1994): He adopted a more psychological approach to culture where he identified motivational goal as an important aspect of societal values. He highlighted ten human values which he termed universal and he looked at them from the angle of social

needs, motives and demands (Kagitcibasi, 1997). Furthermore, he pointed out that these values account for the universal needs of human existence and that they exist in all cultures. These values are: universalism, stimulation, achievement, power, tradition, benevolence, conformity, self-direction, and security. This study was carried out using school teachers and college students in fifty-four countries; nevertheless, this study is limited in organisational studies even though relevant in the field of social behaviour (Bond, 2001).

GLOBE Model: This study was carried out to study the cultural dimensions within organisations. This study was carried out by some international experts (House *et al.*, 2004) after which nine cultural dimensions emerged, namely: power distance, uncertainty avoidance, human orientation, institutional collectivism, in-group collectivism, assertiveness, gender egalitarianism, future orientation and personal orientation. The data were collected from sixty-two countries and thus they drew a conclusion that leaders are different across cultures: the participatory leadership style was acceptable in western countries; however, in eastern countries its effectiveness was questioned. In addition, there was much emphasis on the paternalistic style of leadership and maintaining groups amongst the Asian managers; whilst the charismatic leadership style was prevalent in other cultures where it was more assertive but rather passive in others (Nardon and Steers, 2009).

Hofstede in his pioneer study using 116,000 employees of a MNC in the USA carried out a study on the differences in national culture; he came up with four major categories or dimensions as he called them. These dimensions are: individualism vs collectivism, masculinity vs femininity, power distance index, and uncertainty avoidance. He later included a fifth dimension, long-term vs short-term orientation. These dimensions as Hofstede (1980; 1991) defined them are presented below.

Individualism vs collectivism: This is the extent to which individuals are incorporated into groups. In individualistic societies, the bond between individuals are weak, everyone has the responsibility of looking after themselves and their individual immediate family; on the other hand, collectivists have a strong bond between themselves, they tend to look out for extended family members (uncles, aunts, grandparents etc.) as well. There is also a strong group cohesion and “unquestioning loyalty”.

Masculinity vs femininity: The masculine society emphasises achievement, success and a material reward for it, heroism and assertiveness. This society is largely competitive. Conversely, in a feminine society the preference is on quality of life, care for the weak, modesty and collaboration. In this case, the society is largely consensus-minded.

Power distance index: This is the extent to which members of any society accept or expect the unequal distribution of power. The fundamental concern here is how inequalities are handled amongst people in the society. The acceptance of a hierarchy in which everyone has a place reflects a society with a large degree of power distance. Where there is low power distance, there is an emphasis on equal power distribution.

Uncertainty avoidance index (UAI): This refers to the tolerance of uncertainty by a society; it is the extent to which members of any culture feel secure or insecure in conditions that are not structured. Unstructured conditions are new and rather surprising events that are divergent from the usual. Cultures that tend to avoid uncertainties put in place codes, beliefs, laws, safety policies and regulations that would reduce such situations. Countries that have a weak UAI tend to be more relaxed, practices are held more than principles.

Long-term vs short-term orientation (LTO): Societies with short-term orientation are concerned with the establishment of absolute truth; a lot of emphasis is laid on respect for traditions, a comparatively small proclivity to save for the future and focused on achieving quick results. In societies where long-term orientation is prevalent, people consider truth to depend on some factors such as situation, context and time. There is the tendency to adapt traditions to certain changes; there is a strong proclivity to save and invest frugally and determination in producing results.

Hofstede (1980, 2001) had one major criticism, which was that his model was focused on a particular case study: IBM conducted in about 50 countries with 116,000 questionnaires distributed over a four-year period, 1968–1972. There is the possibility that the result of the study would have been specific to IBM and this may not be the case with the culture of other MNCs; to put it briefly, this may be the beliefs shared by the employees of IBM and not necessarily employees from other MNCs and also, there are some issues that are specific to companies in the IT sector which may be different from the views of other companies in other sectors.

Ferner (1997), on the other hand, see Hofstede's approach as being static in the sense that national culture is the property of nations; he was of the view that this approach be handled with caution. This is in line with Schmidt's (1993) argument that recently there have been some changes to the French management style, which was seen to be more bureaucratic and authoritarian previously but has become more dynamic and decentralised.

The Institutional Approach

The use of institutional theory to investigate different models of capitalist economies has been on the increase for the past three decades. This is as a result of the positive impact of various schools of thought, and its extension to research institutional deficiencies in developing economies. Furthermore, this has led to the enhancement of institutional theory but invariably has also led to its division across various frameworks and theoretical perspectives. Different elements contribute to form an institutional environment: cultural-cognitive, normative and regulatory, as proposed by Scott (1995). The regulatory component is characterised by pre-existing rules that encourage certain behaviours and discourage others. Scott and Davis (2007) elucidate that any behaviour that is in line with the established rules and regulation is seen as legitimate. An obligation is held by a society in an institutional environment which include values and norms that are considered normative components. Any shared understanding that generates a “common cognitive framework” and “taken for granted” assumption in an institutional environment is seen as cultural-cognitive component (Scott and Davis, 2007: 260).

In the process of transfer of human resource (HR) practices, Brewster *et al.* (2008) noted that one of the key external factors to be analysed by multinational companies (MNCs) is the institutional environment. North (1990: 3) rightly pointed out that institutions are the “rules of the game” which could impede or make possible the smooth progress of social interaction in any given society. These institutional constraints could be formal or informal and they could impact the transferability of HR practices and policies (Mowday and Sutton, 1993; Kostova 1999; Farndale *et al.*, 2008). In the bid for MNCs to transfer their policies and practices across borders that portray their peculiar core competencies and know-how in managing foreign subsidiaries so as to gain competitive advantage, they are faced with different, conflicting institutional pressures (Szulanski, 1996; Kostova, 1999; Kostova and Roth, 2002).

Furthermore, in previous studies done on MNCs, the institutional theory has been widely applied (Dacin *et al.*, 2002; Kostova *et al.*, 2008). Kostova (1999) pinpointed that recognising the sources of barriers by analysing the features of the practices and the perspective of transfer is one of the major focuses of research in the field of MNCs’ transfer of practices. Some researchers (e.g. Rosenzweig and Singh, 1991; Kostova, 1999; Edwards and Kuruvilla, 2005) are of the view that MNCs could be faced with some complexity as a result of institutional environment of the host country which will impede the successful transfer of practices. The focus of some scholars (e.g. Kostova, 1997; Whitley, 1999; Hall and Soskice, 2001) of international business is on identifying certain characteristics of the institutional

environment at the country level and their conclusions have been to elucidate the differences in the organisational behaviour and institutional environment across borders. 'Institutional distance', as conceptualised by Kostova (1997), highlights the differences encountered by MNCs with regards to institutions. Consequently, more disparities between home and host country institutional environments create more challenges in the transferability of HRM/ HR practices. Clark and Lengnick-Hall (2012) pointed out that the institutionalists highlight the limitation resulting from institutional distance between home and host countries while neglecting the benefits that could be derived from the distance.

Frameworks for Institutional Analysis

Various institutional frameworks were suggested by some authors (e.g. Jackson and Deeg, 2006) to help explain the levels of diversity and economic performance using various sets of institutional mechanisms. The area covered by these authors in their analysis is quite limited as is observed in Table 2.1. In Table 2.2, some institutional frameworks highlighted in the table are used for discussion; though the frameworks are limited but they (1) have been applied in developing economies and (2) could be considered applying within the context of Nigeria which could be compared to some institutional frameworks.

Table 2.1 Commonly used institutional domains

Institutional area	Typology	Some examples of performance effect
Financial system	Bank/Stock market based	Investment pattern; corporate governance
Corporate governance	insider-outsider systems or Shareholder-stakeholder	Firm strategy; income distribution; skills; investment; innovation
Industrial relations	Conflictarian / pluralist / corporatist	Internal vs. external labor market flexibility; wage levels; unemployment
Skill Creation	State / associations / market / firms	Income distribution; work organization; innovation; industrial relations; firm strategy
Work organisation	Fordism / flexible specialization / diversified quality production	Business strategy; industrial relations
Welfare states	Liberal / conservative / social democratic	Labor market participation; patterns of savings and investment; organization of labor unions
Innovation	Radical / incremental	Work organization; business strategy; employment

(Source: Jackson and Deeg, 2006: 13)

1. Societal Effect Approach

According to Kang (2006) and Jackson and Deeg (2006), this approach was popularised by the French regulation school and their perspective on the study of institutions was based on a societal effect or society-centred approach. This school of thought studies the behaviour of firms in terms of the action, actors and their interactions. Whilst doing this, they take a sociological perspective in analysing the institutions in capitalist economies. These include how skills are formed, structure of industries and innovation.

Hollingsworth and Boyer (1997) have contributed much to this school of thought by introducing the concept of Social System of Production (SSP). The authors argue that a specific *social configuration* is integrated by institutions which will support a main production system; by so doing, competitive advantage is developed in industrial sectors by these capitalist economies which will be best for the *dominant* SSP within the economy (Hollingsworth and Boyer, 1997; Rousseau, 1985). The main types as suggested by this study are: flexible production as displayed by the Germans and mass production as displayed by the Americans. They both show a difference in institutional relationships. In the former system, the workforce is highly flexible with high job security.

Another contribution to institutional analysis was made by Amable (2003) using quantitative evidence; the data was collected from some OECD countries precisely 21 of them in order to explore five important institutional *elements* and how they interact. These elements include: product market, labour market, financial institutions, social protection and educational sector (Amable, 2003). He used some complicated methods to measure these *elements* which were used to explain different *complementarities* (Crouch *et al.*, 2005). Countries were categorised under five groups: the market-based economies (aka liberal market economies or the Anglo-Saxon model), social-democratic economies, Asian capitalism, continental European capitalism, South European capitalism (Mediterranean model). The business system approach, according to Whitley, (discussed below) was not criticised by Amable (2003) due to insufficient quantitative data (e.g. Foss, 1999; Jackson and Deeg, 2006; Crouch, 2005); this notwithstanding, some studies have tested Whitley's framework (e.g. Brookes *et al.*, 2005). It is difficult to categorise Nigeria under one form of capitalism, due to lack of quantitative data; it would be difficult to apply Amable's model to the institutional analysis of Nigeria.

Table 2.2: Certain structure for institutional analysis

Representative Authors	Institutional domains	Country groups	Notes
Hall / Soskice	Financial systems, industrial relations, skills, inter- firm coordination	Liberal vs. coordinated (industry vs. group-coordinated)	Rooted in transaction cost analysis
Hollingsworth, Boyer, Streeck, Crouch	No systematization	Every case unique	Based on six governance mechanisms for coordinating transactions: markets, hierarchies, states, associations, networks, and communities
Amable, Boyer	Product market competition, the wage-labor nexus or labor market institutions, finance and corporate governance, social protection / welfare state, and the education / training system	Five country clusters	Uses some inductive clustering of types, unlike the more a priori approach of Whitley
Whitley	States, financial systems, skills, trust / authority	Six ideal-types: fragmented, coordinated, industrial district, compartmentalized, state-organized, and highly coordinated	Compares eight dimensions of coordination related to horizontal vs. vertical organization, control through ownership vs. non-ownership, and employer-employee dependence

(Jackson and Deeg, 2006: 31)

2. Firm-Centred Approach

This approach is a popular work by Hall and Soskice (2001) and is another way of approaching institutional analysis; these authors aimed at using the Varieties of Capitalism framework to “*bring firms back to the centre of the analysis of capitalism*” (Hall and Soskice, 2001: 4). Capitalism is being analysed by exploring how firms behave in different institutional environments. There are ‘*five spheres*’ that they focused on: (1) Trade union activities (2) VET (3) Corporate governing, (4) Inter-firm coordination and (5) Employee corporation.

These relations could facilitate the development of particular advantages from institutional comparison, as the structure of the institution of a given economy would lead to advantages when engaged in specific activities (Hall and Soskice, 2001). For example, due to some institutional interactions and structuring in the high-value added production systems in Germany, there exist strong unions, a well-built public training system, a high level of

collaboration between the state–employer–union and a system of collective bargaining. However, it should be taken into consideration that in other contexts, these combinations of institutions have not been considered effective; following the case of production systems with low-value added as is the case in the United Kingdom. This brought about the argument that institutional relations or *institutional complementarities* play a vital role in shaping and developing some particular institutional trend within economies considered as capitalist.

Hall and Soskice (2001) classified economies into two categories based on the interactions of the firms with different institutions. These economies are: Liberal Market Economies (LMEs) such as the USA, the UK, Australia, Canada New Zealand and Ireland; and Coordinated Market Economies (CMEs) such as Norway, Japan, Germany, and others. The adoption of this dualist approach was relatively simple and beneficial to pin-point some complex features of institutional complementarities (Hall and Soskice, 2003). This approach has been criticised by other researchers for its simplicity in pin-pointing the complex features of the institutions in these countries and classifying them under similar groupings (Goergen *et al.*, 2009; Höpner, 2005; Amable, 2003; Crouch, 2005; Jackson and Deeg, 2006). For example, Germany and Japan were classified to be under the same CME category, but there exist between them differences in their institutional comparative advantages which are as a result of the distinct nature of their institutions. The explanation of varieties of capitalism framework is limited in explaining the differences. However, this framework is one of the few which has been applied in developing countries.

3. Business Systems Approach

This approach takes a socio-economic perspective and it is a major approach to the study of institutions. This approach was developed by Richard Whitley after conducting his research in East Asia and Europe on six different types of business systems (Whitley, 1992a; 1992b; 1999). This work was later extended to eight business systems in his more recent work (Whitley, 2007). Some research scholars also suggested a business system referred to as “segmented”, which is focused on analysing economic failure rather than success (Wood and Frynas, 2006). Their study is based on the four different African economies analysed. The different systems are dependent on some characteristics of firms which are classified under ownership/non-ownership integration and the interdependence of an employer and employee impacted strongly by some important institutions. Whitley’s institutional framework is used in this thesis for institutional analysis of Nigeria. It is necessary at this point to explain key concepts of institutional analysis.

Institutional Features of the Segmented Business System (SBS) Approach

According to Whitley (1992a: 269), a business system is “particular combinations of firms and markets which have become established in particular institutional contexts and so develop at the level of collective organisation which contains key institutions”. Whitley’s framework was initially founded on East Asian capitalism; the European business system was the extension of this model. Cultural values and norms have been considered in discussing and analysing the capitalism of East Asia in the business systems of the European business system (Lane, 2002; Whitley, 1992a; 1992b). Subsequently, this concept was redefined by Whitley (1999: 33) to be “distinctive patterns of economic organisation that vary in their degree and mode of authoritative coordination of economic activities, and in the organisation of, and interconnections between, owners, managers, experts, and other employees”. Wood and Frynas (2003) later extended Whitley’s framework to developing economies and they came up with their own typology for how institutions are shaped which could deter instead of encouraging economic development. The features discussed below correspond with the context of study – Nigeria.

Characteristics of Business Systems

Ownership coordination, non-ownership coordination and employment relations are characteristics that vary in different degree and which are associated with business systems. The interaction amongst these three groups is likely to result in a specific type of economic organisation and control; consequently, distinguishing types of business system. It would be myopic to make the assumption that the entire economy is restricted to a single business system. There is the possibility that within a single economy there exist different types of organisations; for example, not all businesses are large multinationals in the USA (Redding, 2005). Nevertheless, there is a dominant and prevalent form of coordination – economically and from an organisational standpoint provided by the model (Whitley, 1999; Redding, 2005). GDP share, national value-added production share and power associations are ways through which the dominant structure of economic organisation could be determined. According to Whitley (1992a; 1999), the prevalent structure of the business system or economic organisation is based on the value-added production business share. For example, *chaebols* are limited in number in South Korea; nevertheless, the largest segment of value-added production is controlled by this system within the economy and the whole analytical framework of business is based on it (Whitley, 1999; 1992a).

Given other cases, the procedure in deciding which economic organisation is more dominant is not clear-cut. For example East Africa, Wood and Frynas (2003) clearly stated that the

type of economic organisation which controls the economy is dependent on the *power relations* with *state elites* and not essentially on the GDP share or the value-added production share. Nigeria in this context is not likely to differ greatly from its African counterpart as would be explored during this research.

Business systems cannot develop without the influence of the external environment within which they are operating. Consequently, Whitley (1999) noted that they have a tendency to become a *by product* of the relations amongst the *features of a business system* and *social institutions* controlling these economies. Furthermore, social institutions are categorised into background and adjoining (proximate) institutions (Whitley, 1992b). The adjoining institutions tend to have a direct influence on the economy in comparison to the former; examples of such adjoining institutions are the state and the financial system (Redding, 2005). Examples of background institutions are norms and values; these institutions are considered *informal* and their impact is felt after a long period of time. In developing countries, informal institutions have a strong influence and could shape the prescribed guidelines of the game being executed (Martinsons, 2002; 2005; 2008; Yousfi and Humphrey, 2008; Wood and Frynas, 2006). These guidelines may not be essentially advantageous to the entire economy as they could to a group of business elites and advantaged state (Wood and Frynas, 2006).

There are some *key* institutions that are outlined in Table 2.3 under the background and adjoining institutions (Whitley, 1999). These key institutions tend to have an influence over how resources are controlled within the economy and could impact how business systems are formed and developed within economies. This discussion focuses on Whitley's definition of key institutions. More importantly, the essence of this review is not to come up with a typology for the Nigerian economy or its business system. Alternatively, the characteristics of the *main* institutions would be highlighted and the impact on the transfer of HR policies and practices in Nigeria would be critically analysed.

Features of Key Institutions

i. The State

The features of the state are well defined in the literature. The orientation of the state and how their boundaries are established has been debated extensively. In discussing third world countries, this debate has become more problematic (see Evans, 1995; Mitchell, 1991; Johnson; 1982; Abraham, 1977; 1988; Albert, 1993).

Table 2.3 Major institutional characteristics in configuring business systems

<i>The state</i>
<ul style="list-style-type: none">• Dominance of the state and its willingness to share risks with private owners• State antagonism to collective intermediaries• Extent of formal regulation of markets
<i>Financial system</i>
<ul style="list-style-type: none">• Capital market or credit based
<i>Skill development and control system</i>
<ul style="list-style-type: none">• Strength of public training system and of state-employer-union collaboration• Strength of independent trade unions• Strength of labour organisations based on certified expertise• Centralisation of bargaining
<i>Trust and authority relations</i>
<ul style="list-style-type: none">• Reliability of formal institutions governing trust relations• Predominance of paternalist authority relations• Importance of communal norms governing authority relations

Source: Whitley (1999:48)

According to the Weberian definition, a state is defined as “a set of organisations invested with the authority to make the binding decisions for people and organisations juridical located in a particular territory and to implement these decisions using, if necessary, force” (Evans and Rueschemeyer, 1985:46-7). This definition is similar to the argument by Whitley, where the state is considered as part of his framework on institutions; the state has three attributes which are: (a) the state’s dominance and its ability to partake in the risks with private owners; (b) the resentment shown by the state to collective mediators; and (c) stipulated regulations of markets (Table 2.3). He clearly points out that this is needful as the means of economic organisation are influenced by them and to ensure stratum of consistency and complementarity of the state institutions (Whitley, 2003; 1999). The State interferes in the coordination and organisation of developmental activities at different levels. There are differences in differentiation of theories in developed countries. For example, Anglo-Saxon and Rhenish societies were distinguished by Albert (1993). Subsequently, in

the Liberal and Coordinated Market Economies, for example the USA and Germany, Hall and Soskice (2001) highlighted the differences in the role of the state. Another example is the work by Johnson (1982) which challenged a dominant approach at that time – the neo-classical approach in which he distinguished between developmental and regulatory states. The former supports the guidance of economic development on a wider scope in comparison to the latter, the regulatory state (Johnson, 1982). Despite the differences in achieving economic increase and expansion at various levels of state interference in economic activities, the state has been thriving well.

On the other hand, the characteristics of the state in the developing world are high levels of interference which has rarely led to successful and sustainable economic development. This may be as a result of the fragile composition of the state's institution. For states with such features, they are unlikely to have a clear structure of operation whereby they have to abide by *formal rules of the game* as is done in the developed countries (Wood and Frynas, 2006).

In corrupt societies, such as developing countries, businesses and investments are structured to satisfy the interests of the elites within the state. Although in these societies it is hard to attract investors in the first instance, this is as a result of the *fragmented* environment of the state and the business relations within the state which is *incoherent* and finally, the corruption which is *decentralised*. For example, corruption tends to take centre stage in the developmental states of South-East Asia; thus presenting an ease for businesses to cope (Wood and Frynas, 2006). On the other hand, in East Africa, the cost of corruption is hard to forecast or internalise and this could reduce the potential for investing in these countries. State interference on high levels within the economy did not effect so much change under some structural adjustments programmes by some financial bodies such as the International Monetary Fund (IMF) and World Bank whose focus was to enhance the economic environment of these developing countries. Rather, Wood and Frynas (2006) noted that these economies have recorded indebtedness increasingly after these programmes commenced which had little impact on the economic development of these countries. In some of these developing economies, only the sectors which are seen to be of more importance to the elites within the state are given efficient consideration.

ii. The Financial System

According to Whitley (1992; 1999), financial systems are classified in accordance with availability, liquidity and capital price under two broad categories: capital or credit-based markets. Nevertheless, he recognises that it may be difficult to fit some markets precisely into a particular category, which may result in a divergence of these two categories. This is

mostly the situation with developing countries with varied arrangements as put forward by Wood and Frynas (2006).

In the *capital-based market*, the financial commodity prices are to a large extent decided by the capital market; this market has a high level of liquidity. There is a free trade of assets and capital within this market, which enhances flexibility and liquidity within the financial system. This system is characterised by short-term transactions and profits; this has a strong implication on other social institutions as well as the development of skills and control. On the other hand, *credit-based financial systems* operate differently as there is restricted flexibility for trading and whilst pricing commodities. Banks are major financial institutions that are involved significantly in the processes. The banks place more restriction in comparison to the capital-based markets, which allows for shares and ownership to be freely traded. Therefore, this system presents a minimum level of liquidity and flexibility, owners and managers tend to be involved in thorough assessment of various investment alternatives and the process of decision-making in order to ensure that maximum profit and development is attained within the organisation. Emphasis on this system is based on long-standing relations and transaction; which is seen to have a positive influence as in the case of Germany where long-term investments are made in the training and development of the workforce (e.g. Gospel and Pendleton, 2005; Crouch and Streeck, 1997; Thelen, 2004).

In developing countries, the financial system is dependent to a large extent on the external market and foreign organisations; many of which are global financial organisations as many of these nations lack the ability and the cashflow to drive the capital-based markets in an effective manner. In the same vein, they are faced with external pressures to deregulate their system from global financial bodies like the IMF and World Bank. Therefore, these economies cannot be successfully categorised into the categories suggested by Whitely (1999) and they are constantly facing the challenge of ineffective and inconsistent financial strategies, increased interference of foreign organisations with different structural adjustments programmes and a weakened dedication from foreign investors to move their resources elsewhere and other settings if they prove to be advantageous (Wood and Frynas, 2006). This could result in a risky, unstable and unpredictable financial system.

The Nigerian financial system has undergone many reforms in the past decade. These financial reforms according to most literatures (e.g. Balogun, 2007; Ogunleye, 2005; Adegoroye and Moruf, 2012) took place in four phases. The first phase took place between 1986 and 1993; this brought about the deregulation of the banking industry as a result 60% of the federal and state stake became controlled by the indigenised banks; also there were

reforms in the foreign exchange policy and interest rate. The second phase occurred between 1993 and 1998; throughout this phase, the industry suffered extensive crisis financially and this led to the reintroduction of regulation proposed to deal with the situation. The third phase started during the 1999 era of civilian rule in which there was the liberalisation of this industry followed up with the implementation of the '*distress resolution programmers*'. This facilitated universal banking thereby allowing banks to operate different facets including '*retail banking and non-banks financial market*'. The final phase, which is considered the '*consolidation phase*' started in 2004 and is still in operation; this phase was informed by the monetary authorities in Nigeria on the grounds that there were some structural and operational discrepancies which had to be addressed so as to promote growth within the private sector (Oladejo and Oladipupo, 2011). According to Ogunleye (2005) cited in Adegoroye and Moruf (2012: 171), "*The consolidation of the banking forms as follow up to the recommendation policy involves either a combination of exiting banks or exit from the weak bank*". This reform brought about the merger and acquisition of some banks which was necessary due to the issues of under-capitalisation of some players in the industry, issues surrounding corporate governance and inadequate practice with regards to risk management. The structure of the reforms supported and augmented the prospective of banks to effectively compete at different levels: national, regional and international (Emeni and Okafor, 2008; Ogunleye, 2005; Onyido, 2004; Balogun, 2007; Lemo, 2005; Soludo, 2005; Oluyemi, 2006).

iii. Skill development and Control

There are two broad institutions that are interrelated under this category; the *Education and Training systems*. These institutions are the *control* systems which could influence how labour markets in different economies are coordinated and organised; they develop and certify certain skills and competences.

The systems of education and training varies across borders and are categorised in two broad terms: unitary and dual systems. In the unitary system, a lot of importance is attached to the success of the student which is based on academic performance in a formal examination; less importance is placed on practical training. Countries that exhibit this type of training are France and Japan. Conversely, the dual system recognises that both theory and practice are important; Germany is a successful example of this type of system. Similarly, a standardised curriculum is organised by institutes, proprietors and trade unions concurrently (Lane, 2002; Ashton and Green, 1996). The dual system could be more advantageous than the unitary system as the former may produce high-level skills required

by certain employees in certain markets; those that place so much value on the quality of production which is an aspect of a high-road strategy (Lane, 1995) with certain features like: high skills, high wage rate and high quality market (e.g. Germany). Conversely, with the low-road strategy, specific skills are required and the scope is quite narrow (e.g. the UK and USA); the inter-dependence between employer and employee is quite limited, responsibilities are not delegated since the level of trust is low and poor communication exists. Also, workers' employment is not secured and the investment in skill acquisition is limited also (Hollingsworth and Boyer, 1997).

In some countries (developing), it has been argued that the system of developing skills and control is said to be influenced by colonial bequest. Employers are negatively influenced and are unwilling to support training and development if the returns on investment of these schemes are low. In most developing nations, the agenda for development is unclear and the planning in terms of medium- or long-term is ineffective, and this could result in difficulties in (i) assessing the required skills and (ii) planning the returns on the investment on the development of skills. These complexities and lack of structure could discourage employers and employees alike in making investments into development of skills. Wood and Frynas (2006) argue that employees are uncertain as to how beneficial investments in the labour force would be because there are unforeseen issues regarding economic environment instability which could lead employers to cut down on trained individuals within their workforce

As put forward by Whitley (1999), the *control system* is another key element of this institution. Three major characteristics were suggested by Whitley: firstly, the extent to which trade unions control skills and capacity; in essence, the extent of strength and their independence. Secondly, how organised are the professional organisations and the trade unions. For example, the chances of inter-firm collaboration are increased when organisations are organised on industry levels as in the case of Germany, which could result in a positive interdependence between employers and employees (Lane, 1995; Whitley, 1999; Thelen, 2004). Thirdly, the degree of the centralisation amongst the unions is another feature. This could result in consequences such as the cooperation of employers with the state in conducting public training; if this is powerful, it could lead to the standardisation of the levels of skills and the wage rate which would help to minimise poaching amongst competitors for employees (Culpepper, 2001).

In developing countries, these relationships are lacking; Wood and Frynas (2006) posit that there exist weak relationships between the state, employers and the unions in the

segmented business systems. Due to the controlling nature of the state, there exists an unwillingness exhibited by the state to share risks or engage in decision-making with other actors within the institution which will result in antagonism between these bodies with a slim chance of instituting cordial relationships. This condition has never been confronted by unions as they experience some insufficiencies as a result of the widespread corruption amongst certain institutions which has led to the inability of a '*belligerent state*' like Nigeria to accomplish their fundamental purpose of protecting and providing for the populace amongst other responsibilities (Ademiluyi and Imhonopi, 2010). In spite of this dichotomy, Ijayi (2008) argues that the trade unions in Nigeria have undergone different reforms and are more vibrant and robust as they have resolved issues during the military and civilian administrations surrounding minimum wage, structural adjustment programmes, education, electoral reforms, hike in fuel prices, corruption, living conditions of workers, political parties etc. He further mentioned that the role of the trade union has been extended to wield more political and social influence and they have gone beyond their customary role of campaigning for workers (Ijayi, 2008).

iv. Trust and Authority Relationships

According to Scott (2004), Whitley's approach to institutional analysis tends to be regulationist; however, he has not ignored the function of culture. North (1990) also considered both formal and informal rules in his discussions. North (2005) further went on to analyse the association amongst factors (cognitive), cultural and institutional growth. Nevertheless, there are a number of research works (Hofstede and Peterson, 2000; Hofstede, 1980; House *et al.*, 1997; Hofstede, 1998) focused principally on social-cultural factors whose reliability has been duly criticised (McSweeney, 2002) and these factors according to Brookes *et al* (2010) were considered less effective in comparison to the influence of institutions according to the study carried out by International Human Resource Practices. Whitley (1999) focuses on the analysis on some elements of culture rather than considering culture alone. Some of those elements are vital for ensuring the understanding amongst institutions such as: trust and forging strong relations with authorities (Brookes *et al. op cit*).

The norms and the values through which any society is governed relies on the trust and authority relations built within that society and this could have a significant effect on how various players within the market and the state relate; two broad types of authority were identified by Whitley (1999): *paternalistic* and *formal political authorities*. The involvement of subordinates in business management is considered more important in the latter. Formal rules are used to govern the relationship between the subordinates and those at the top. It is

expected that the subordinates are offered some rights (e.g. choosing their superiors, engaging in decision-making to some extent). Nevertheless, the extent of *formality* in this system differs amongst the *contractual* and *communal* formal systems. Some levels of flexibility exist in the latter compared to the former, which is established on the shared understanding as regards welfare and purpose between superiors and subjects, which is reflected in the increased level of trust and devotion which rarely exists in the contractual formal authority. Conversely, the *paternalistic authority system* is likened to the relationship between a parent and a child where the subordinates are not given sufficient responsibilities to carry out because they are not seen to be a part of the management involved in common business interest; Wood and Frynas (2006) noted that this system widens the moral and social gap between the leaders and the followers. An example of this is the situation of *remote* paternalism in South Korea and East Africa and in the case of *reciprocal* paternalism, the gap is limited (Whitley, 1992a; 1999).

The level of trust that controls socio-economic activities is dependent on the level of relations amongst authorities. In individual societies, the level of trust could be interpreted as the extent of consistency in facilitating and organising business relations. For example, if the degree of trust that exists amongst formal institution is high, the procedure for carrying out business is likely to be impersonal, like in the case of Germany (Thelen, 2004; Whitley, 1999). In the instance of East Africa including some developing countries, there exist more *formalised* institutions and the level of trust is generally low (Wood and Frynas, 2006). Consequently, there tends to be an established inter-personal relation in the socio-economic relations. In some contexts, this could be rewarding economically. For example, China and South Korea have succeeded in *embedding* trust thus institutionalising it; fruitful business ties have been developed to build strong inter-organisational relations as a result of the expansion of the networks of personal trust; e-business is an example of this according to Martinsons (2008): his idea of deficiencies within institutions was argued previously by (Wood and Frynas, 2006; Ashton *et al.*, 1999; Xin and Pearce, 1996). Conversely, African nations have not been able to reach this kind of institutionalisation of trust. However, not much has been achieved as regards strengthening inter-organisational collaboration and cooperation. **Transfer of Practice and Institutional Theory**

Considering the external pressure that MNCs are faced with, the institutionalists argue that organisations are constantly challenged to adapt and sustain practices that will blend into the institutional environment of the host country so as to gain legitimacy which will ensure organisational survival (DiMaggio and Powell, 1983). Consequently, some researchers (Kogut, 1991; Kostova, 1999; Eden *et al.*, 2001) put forward the view that MNCs subsidiaries

located abroad are faced with pressures for isomorphism from local institutions. Therefore, the research on transfer of practices has focused on the pressure to legitimately adopt local practices (Kostova and Roth, 2002) and the barriers placed by institutions to adopt certain practices (Edwards *et al.*, 2005).

In the process of transfer of human resource (HR) practices, Brewster *et al.* (2008) noted that one of the key external factors to be analysed by MNCs is the institutional environment. North (1990: 3) rightly pointed out that institutions are the “rules of the game” which could impede or make possible the smooth progress of social interaction in any given society. These institutional constraints could be formal or informal and could impact the transferability of HR practices and policies (Mowday and Sutton, 1993; Kostova 1999; Farndale *et al.*, 2008).

According to Kostova (1999: 309), organisational HR practices are defined as “the particular ways of conducting organizational functions that have evolved over time under the institutionalized in the organization”; this means that the practices of the organisation are path-dependent and firm-specific. Furthermore, some scholars (e.g. Rosenzweig and Nohria, 1994; Budhwar and Sparrow, 2002; Björkman *et al.*, 2007) indicated that organisational practices vary across borders, which reflects country-level effects. For instance, some investigation done by Farndale *et al.* (2008) and Parry, *et al.* (2008) highlighted that the method of HR practices and policies of MNCs are impacted by the institutional environment of the host countries. Also, Adler’s (1995) study on country-level differences in HR practices and policies indicate that Japanese firms tend to use a seniority-based system of promotion unlike their US counterparts that tend towards merit-based promotion.

Apart from firm specific characteristics which have been reflected in the MNCs’ transfer of practices, some specific country-level characteristics and cross-border transfer of HR practice have also been accentuated on organisational and national features such as the structure and strategy of MNCs (Ghoshal and Nohria, 1993; Taylor *et al.*, 1996; Ferner *et al.*, 2005), characteristics of specific practices (Szulanski, 1996; Jensen and Szulanski, 2004; Sippola, 2009) and the national system of countries involved in the process of transfer (Ferner *et al.*, 2005; Fenton-O’Creedy *et al.*, 2007). In view of national systems, some research scholars have tried to conceptualise the differences in home and host countries of MNCs (Ferner *et al.* 2005). Some researchers have delved into further research in this field in order to have a better understanding of national differences across borders and national institutions (Lam, 1997; Kostova, 1999; Ferner *et al.*, 2005; Björkman *et al.*, 2007).

As a result of MNCs' uniqueness, transfer of organisational practices has been the focus of research of institutional theory. Transfer of practices could be subjected to internal or external pressure: the former could be internal pressure from the organisation to integrate practices with the overall strategy, and the latter could be external pressure to adapt to the institutional environment of a certain host-country (Kostova, 1999).

Even though as earlier mentioned, the institutionalists agree that MNCs are faced with pressures from the institutional environment of the host country; they also have varied perspectives on how MNCs should respond to the institutional pressure posed by host countries. For example, the neo-institutionalists (Meyer and Rowan, 1977; DiMaggio and Powell, 1991; Scott, 1995) propose that the extent to which organisational survival is dependent on the degree of their alignment with their institutional environment. They view organisations from a deterministic perspective with respect to their institutional environment. On the contrary, the traditional institutionalists (Hirsch and Lounsbury, 1997) put forward the view that organisations are considered to have a shared understanding that is socially constructed. Organisations are the result of a social process that the organisations and their sub-components are constantly part of. Thus, organisations should not be regarded as passive, but active agents that can influence and successfully negotiate with any given institutional environment (Oliver, 1991; Kostova *et al.*, 2008).

However, recently an argument was put forward by Kostova and his colleagues that in MNCs' settings, institutional isomorphism is 'limited' (Kostova *et al.*, 2008: 999). They posit that these pressures are rarely for 'local isomorphism' but are restricted to the regulatory and legal domain; also they pointed out that MNCs are, to some extent, shielded and safeguarded and in certain cases they are exempted from pressure from institutions (Kostova *et al.*, 2008). According to Richman and Copen (1972), MNCs' 'being foreign gives them the leeway to be different and avoid giving in to pressure from institutions to some extent; in other words, foreigners are expected to act differently. Consequently, provided that MNCs act within the confines of legal requirement, they have 'institutional freedom' (Kostova *et al.*, 2008: 999) to choose the level of their response to their local environment. This view is supported by some empirical evidence suggesting that MNCs are different and not the same as the host country (e.g. Fenton-O'Creevy *et al.*, 2007; Brewster *et al.*, 2008).

MNCs are faced with a unique institutional environment as they have to deal with dual institutional pressures from both the country of origin and the host countries. The practices of the parent company are influenced by the institutional environment where these practices were developed and established (Kostova, 1999). For instance, MNCs from the USA

emphasise equal employment opportunity (EEO) programmes and this reflects the presence of strong institutions, which is observed in the form of the legal requirements and also reflects people's shared values for equality, which is considered a vital aspect of social life. Likewise, MNCs in the institutional environment of the host country have adopted certain practices which are considered to be appropriate by the populace. For instance, in comparison to the USA, Saudi Arabians are of the view in accordance with their custom that "women don't work without a male relative's permission" US MNCs wishing to set up a subsidiary in Saudi Arabia and attempting to transfer their HR practices would have to take the two institutional environments into consideration in their decision-making.

This also shows that MNCs are faced with the tension between the need for global integration (i.e. internal consistency) and the need for local adaptation (Rosenzweig and Singh, 1991) and this creates a complex institutional environment for MNCs to operate in. Global integration requires core competencies to be used by organisations throughout their subsidiaries globally so as to gain competitive advantage (Ghoshal and Bartlett, 1988; Kogut, 1991; Nohria and Ghoshal, 1997). The focus of MNCs in adopting global integration is to maintain control for their efficiency. On the other hand, local adaptation endeavours to help MNCs adjust to the local host environment so as to gain legitimacy (Kostova, 1999) and to enable them to conquer the 'liability of foreignness' (Zaheer, 1995). This creates a contradictory tension for MNCs as they are faced with policies that align with the local environment of the host country so as to gain legitimacy and concurrently using 'best practices' in all subsidiaries in order to gain competencies (Rosenzweig and Singh, 1991; Taylor *et al.*, 1996; Brewster *et al.*, 2008).

Kostova and Roth (2002: 215) have conceptualised these similarities or dissimilarities as "institutional duality"; the magnitude of balance for MNCs in the midst of the contradictory needs either for global integration or local adaptation is dependent on the similarity of the parent country with the host country institutional environment (Xu and Shenkar, 2002). The greater the disparity between the institutional environment of the MNCs and their various subsidiaries, the more challenging it will be for them to overcome the liability of foreignness and to attain legitimacy (Zaheer, 1995).

Institutional distance depends on the institutional background of a country which consists of three different dimensions: cognitive, normative and regulatory (Kostova, 1997); he further pointed out that there is a negative correlation in relation to institutional distance of both countries in the context of transfer of practices from parent companies to their subsidiaries.

Furthermore, a wider gap in institutional distance strengthens the conflict between the demands for global integration in the MNC and adapting locally (Xu and Shenkar, 2002).

MNC institutional pressures and subsidiary HRM practices

In relation to the institutional factors present in the host country environment, a MNC's parent company could be viewed as exerting mimetic/cognitive, coercive/regulatory and normative pressures on their subsidiaries. Therefore, the subsidiaries are pressured into adopting similar HRM practices with their parent companies (Rosenzweig and Nohria, 1994). Since this present study examines the transfer of HRM practices from EMNCs, the discussion now is on factors that influence the extent to which subsidiaries' HRM practices resemble that of the parent company.

MNCs have recognised and strengthened the competitive position of foreign subsidiaries, as put forward by Ghoshal and Bartlett (1996); thus to enhance sharing and coordination, they focus on integration mechanisms between them. In implementing firmer integration, various combinations of mechanisms are used by MNCs to different degrees, integrating them into varying business functions (Kim *et al.*, 2003).

2.4 Determinants of Transfer of Practices

There is evidence within the literature that the transfer of practices by MNCs from the home country to the host subsidiary may not be as successful as planned. The extent and the impact of the transfer depend on the desirability and the feasibility of transferring the practices and the process of transfer. In this section, the factors influencing the successful transfer of practices to subsidiaries is outlined. According to research, there are different factors that could influence MNCs' strategy on the transfer HRM policies and strategies (Beechler and Yang, 1994; Welch, 1994; Ngo *et al.*, 1998; Bae *et al.*, 1998; Dowling *et al.*, 1999). The performance of MNCs could be influenced by the extent or the impact of the transfer. MNCs and their subsidiaries are important players globally and research in this area has increased (Björkman and Lervick, 2007; Hamel and Prahalad, 1985).

According to Schuler and Jackson (1999), there are two major sets of factors: exogenous and endogenous/indigenous factors. The exogenous factors include industry characteristics and country/regional characteristics; while the indigenous factors include the structure of international operations, headquarters' international orientation, competitive strategy, and experience in managing international operations. In addition to Schuler's work, Taylor *et al.* (1996) further analysed the factors IHRM (International Human Resource Management)

strategies of organisations by categorising them on three different levels: corporate level, affiliate level and employee group's level (Taylor *et al.*, 1996: 965). IHRM strategies are influenced by a different set of variables at different levels. Furthermore, they explained that HR policies and practices could be diffused to different subsidiaries by MNCs if those practices are seen to be generalisable; also, MNCs' response and integration at different levels are influenced by the overall orientation of the HR system and extent of the similarity between the subsidiary's HRM structure to the home country's structure at the parent company level, as well as at the host company's level. Invariably, Taylor and his colleagues are of the opinion that best practices from different sections of organisations should be shared so as to establish a universal system (Taylor *et al.*, 1996).

2.4.1 Corporate level (Parent Company) SIHRM System

Overall, the literature and research evidence indicate that MNCs basically have different (SIHRM) orientations, which reflect "the general philosophy or approach taken by top management of the MNC in the design of its overall IHRM, particularly the HRM systems to be used in its overseas affiliates" (Taylor *et al.*, 1996: 966). Taylor *et al.*'s (1996) model analysed the SIHRM system from three major levels: corporate level, affiliate level and employee group's level (see figure 2.1). At different levels of the SIHRM system, the resource-based view theory is instrumental in accessing the determinants of this system and also to examine from a different perspective the process of change in the long run. The question of what determines the SIHRM system in the MNC will be clarified by looking at the first section of the model: the parent company level.

Previously, other researchers (e.g. Rosenzweig and Nohria, 1994; Schuler *et al.*, 1993) in the field of SIHRM suggested that the "parent company's orientation and parent company's functional focus" (Taylor *et al.*, 1996:964) are key characteristics of this system.

Functional focus could be defined as that which includes practices like selection methods and design of compensation plan of the home country human resource management system which is transferred over to its subsidiary, or practices that they are focused on developing which the top management believe is important to the successful accomplishment of the organisation's goals and by so doing there is a tendency of MNCs to transfer their HRM functions to their subsidiaries. The SIHRM orientation is also examined within this system as well.

Thus, Taylor and colleagues identified three generic SIHRM orientations in MNCs, which are seen as extensions of the seminal work of Perlmutter (1996) and Heenan and Perlmutter (1979) as they cover all HRM policies, not just the staffing of top management, namely: adaptive, exportive, and integrative orientations.

The MNCs attempt to create HRM systems for the subsidiary that are consistent with the host country using the adaptive approach; the adaptive orientation supports differentiation which is a situation whereby local practices are adopted by the MNC for the management of the subsidiary. Local human resource specialists or managers are hired due to their knowledge of the environment and local practices. This approach is in line with the polycentric approach which is an aspect of SIHRM orientation adopted by senior management as regards staffing and how this is linked to the internationalisation of IHRM strategies (Perlmutter, 1969; Perlmutter and Heenan, 1974, 1979); in this case senior management puts the HCN's in charge of operations. This type of orientation supports little or no transfer of HRM policies and practices.

The exportive approach suggests a wholesale transfer of the parent's HRM systems, policies and practices from the home country to the host country; the HRM policies of the home country are replicated in the subsidiaries. This approach is consistent with ethnocentric orientations which are usually adopted by MNCs in the early stage of their development (Perlmutter, 1969a); when the opinion of senior management of the MNC is such that international activities could be driven forward by the parent country national (PCN) rather than the host country national (HCN). Therefore, their policies and practices tend to be standardised and subsidiaries need to comply accordingly.

The integrative approach attempts to use "the best" practices throughout the organisation thereby creating a system that could be implemented globally (Bartlett and Ghoshal, 1998; Taylor *et al.*, 1996). The focus of this approach is more on global integration with little localisation. This approach is consistent with geocentric approach to MNCs management (Perlmutter, 1969; Perlmutter and Heenan, 1974, 1979). The transfer of HRM policies and practices is likely to take place between the parent company and the subsidiaries and this transfer could go in any direction; host country practices could be transferred to the home country and vice versa. The chosen strategy depends on the company's philosophy and preference.

The SIHRM orientation reflects the roles to be played by both the parent and the subsidiaries in the design and structure of SIHRM system. Although there is an emphasis on the design

of HR policies at the subsidiary level following the adaptive SIHRM orientation, an exportive model emphasises control in the parent company. The integrative orientation promotes the input and adaptation of the subsidiary, which reflects shared decision making responsibility between the parent company and the subsidiary during the process of the design of SIHRM practices.

The firm's international strategy influences the choice of SIHRM orientation (Kobrin, 1992; Schuler *et al.*, 1993); also, other researchers and the components of RBV also suggest that top management must "believe that it has HRM competence that are context generalisable" so as to facilitate a successful transfer to subsidiaries (Taylor *et al.*, 1996).

Industry Characteristics, Strategy and Structure

The structure of the organisation and international strategy could influence the MNCs' HRM approaches (Dowling and Schuler, 1990; Marginson, 1992; Marginson *et al.*, 1994; 1995; Dowling *et al.*, 1999). Also, some researchers put forward an argument that the structure of an organisation and international strategy are influenced and related to the sector in which the MNC operates and this demonstrates the different patterns of international competition (Porter, 1986; Ferner, 1994; Edwards *et al.*, 1999). Specifically, due to the nature of product competition, MNCs' integration of production varies in different degrees across borders and also the structure of their international business (Edwards *et al.*, 1999). Accordingly, Porter (1986, 1998) puts forward that increase in international competition could result from the MNCs' endeavour to 'capture the linkages across borders'. On the other hand, where there is an increase in local competition, a minimal attempt is made by MNCs to ensure that linkages are spawned between businesses across borders. Consequently, according to Schuler *et al.* (1993), the type of business/industry is a key factor that influences international HRM policies and practices.

Several authors (Harzing, 1999: 36; Edwards, 2000: 121; Richey and Wally, 1998) have written about the strategy and structure of MNCs and they, as mentioned earlier, identified four main organisational models: global, transnational, international and multi-domestic, that were linked to industry characteristics.

The multi-domestic model is predominant in industries where competition in each country is not affected by the competition in other countries (Porter, 1986); hence, companies whose industry follows a multi-domestic strategy, are more responsive to the concerns of the local environment. Consequently, product differentiation is designed to meet different local

demands and their practices are adapted to meet different government and market demands. This brings about a decentralised form of control which is accomplished by the personal relationship between the top management and the managers of the subsidiaries and some simple financial systems. There is a hierarchical system of reporting in place where top managers at different affiliates are in control. They are accountable to the head of an international division of the home company. Thus, the role of HR is likely to be localised and also their staffing as well (Dowling *et al.*, 1999); therefore their practices are likely to sustain the activities of the firm in the local market.

The second model is an international strategy also known as an innovation strategy which is adopted by the international company where innovations are created at the headquarters level in order to either minimise cost, expand revenues or both. These companies are characterised by strategic decisions being made and ideas developed at the headquarters level while the affiliates execute them (Schuler *et al.*, 1993), even though affiliates could adopt new strategies and products. This results in what is described by Bartlett and Ghoshal (1998) as 'co-ordinated federation' where a formalised system of control is implemented by the parent company; as a result centralised HR policies are in place.

Thirdly, global strategies are implemented by global industries where policies and practices are more standardised. In this industry, a firm's competitive position is impacted by their positions in other countries which leads to high levels of integration and invariably a high level of control and coordination of the activities in different affiliates of the MNCs (Gupta and Govindarajan, 1991; Rosenzweig and Singh, 1991; Taylor *et al.*, 1996). Hence, these companies tend to produce standardised goods in a cost effective way. In industries using a global strategy, according to Porter, an 'imperative for co-ordination' is in place which allows for structured HRM function to convey international support essential for the key activities of the MNC (Dowling, 1999). Accordingly, the MNC operates with a single global operation which would likely result in centralised and formalised HR practices and the subsidiaries are coordinated from the headquarters and affiliate managers, and have limited sovereignty (Schuler *et al.*, 1993: 747). Some examples are some global policies on performance evaluation, recognition of unions, compensation, human resource monitoring using opinion surveys which are used to make a comparison between the performance of business units and divisions.

The fourth model is the transnational which is suitable for the management of subsidiaries in difficult locations. Transnational industries must respond concurrently to the varying and inconsistent strategies necessary for global effectiveness and efficiency (feature of a global

industry), local sensitivity/responsiveness (feature of a multi-domestic industry) and the transfer of knowledge/ innovation (feature of an international industry). Therefore, according to Bartlett and Ghoshal (1989), a transnational strategy tries to achieve global efficiency, local sensitivity and global innovation/ transfer of knowledge concurrently (Bartlett and Ghoshal, 1987b). In order to achieve this, the strategy need not be firm and rigid. It requires a rigorous process of collaboration and co-operation which would involve a strong integrated cross-unit, well-built identity and a strong global management view. A transnational corporation, according to the authors, is seen to be a mind set rather than a structure and is searching for a sturdy HRM system which would call for persons who are capable of handling local and global issues. Hence, HR systems such as recruitment, training and development would help individuals to cope with the complexities (Bartlett and Ghoshal, 1991: 70-71). Accordingly, the normative form of control is important as this will facilitate the extensive sharing and awareness of central goals and corporate culture which is important.

Conclusively, it can be said that MNCs adopting international and global strategy concern themselves with utilising centralised skill and capability in subsidiaries abroad; therefore, the transfer of HRM policies and practices to affiliates. Transnational firms try to build up, transplant and disseminate specialised expertise and HRM policies from one part of the firm to another, with no specific intention of implementing those used in the parent company.

As a result of changes and advancements made in the area of information technology, the changes in the pattern of demand in line with cross-national convergence and also with international competition amplifying, Bartlett and Ghoshal (1998) argue that MNCs have recently adopted some intricate integration strategies and this highlights how essential the transnational model has become. This argument is in line with that of other researchers (Hedlund, 1986; Marginson and Coller, 1998; Fergeson *et al.*, 1992 cited in Edwards, 2000; Ferner, 2000; Ferner and Varul, 2000a) who are of the view that a decentralised trend is in place where control and power are dispersed across international affiliates with the relationship between these units being based on negotiation as to tall hierarchy. This means that the geocentric approach of Perlmutter (1969) has become essential as recommended by the author; he also added that MNCs will ultimately move away from ethnocentric/polycentric models and adopt a geocentric approach.

Contrariwise, it does not imply that more centralised management structures would be adopted when there is a movement towards increasing integration and the growth of intricate flow of information. Invariably, greater coordination could be sought by an organisation at the same time decentralising decision making to the subordinate level of the firm. For instance,

Ferner and Hyman (1998) posit that 'centrally coordinated decentralisation' is being adopted by MNCs where some functions are being devolved from the top levels to lower levels of the system with MNCs responding to increasing competition globally and internationalisation.

The role of the beliefs of top management and HR know how

According to some researchers (Beechler and Yang, 1994; Schuler *et al.*, 1993), top management play a crucial role in identifying resources and transferring know-how. Top management here refers to key decision makers (CEO, president, senior officers/managers and directors) within the organization whose views could influence the international strategy to be implemented. In this section, the views of top management in line with HRM competences are explored as a major influential factor that could determine the orientation to be adopted by MNCs.

Top management belief could be expressed in the communication pattern, whether corporate or personal; the method through which the firm manages their employees which could bring about a competitive advantage over their competitors. When the HRM competences are not seen as a resource which could be of use in other contexts then there is slim feasibility of transfer to other subsidiaries across borders. The MNC is therefore likely to localise/adapt HRM practices in each subsidiary irrespective of their international strategy (Taylor *et al.*, 1996). On the other hand, an exportive or the integrative orientation towards the sharing of HRM policies and practices is adopted if the MNC's top management believes that the policies of the firm would be useful outside their borders. This view may not essentially be as a result of the international experience of the MNC, rather as a result of 'personal experience' and top management belief or observing the experience of other MNCs.

2.4.2 The subsidiary's HRM system

Figure 2.1, showing Taylor *et al.*'s (1996) model, depicts the relationship between the orientation of the headquarters and that of the subsidiary. In analysing the subsidiary HRM system, there are two components, as highlighted by the authors: a) the degree of the subsidiary's HRM system similarity with the parent company's and b) the similarity of the subsidiary's HRM functions to that of the headquarters'.

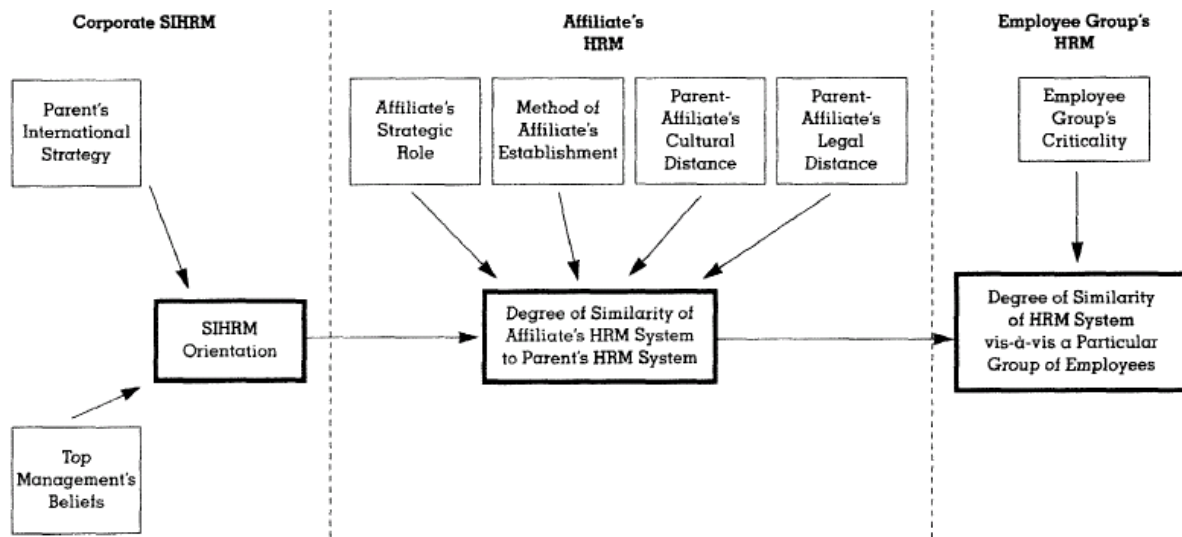


Figure 2.1: Model of Strategic International Human Resources Management (SIHRM)

Source: Taylor *et al.* (1996)

2.4.2.1 The degree of the subsidiary's HRM system similarity with the parent company's

The SHRM orientation is a key factor that determines the extent of transfer of practices of MNCs to their subsidiaries. The outcome of this transfer process ensures that systems are consistent (Rosenzweig and Nohria, 1994; Rosenzweig and Singh, 1991; Westney, 1990); this will bring about an increase in the level of integration and control. For instance, there is a high level of control and transfer of practices to subsidiaries by parent MNCs with an exportive SIHRM orientation. Conversely, control is low over the subsidiaries with MNCs with an adaptive orientation; thus there is no transfer of practices. An integrative SIHRM orientation ensures that there is a moderate control over the subsidiaries by the parent company. This type of system supports best practices, where some of those practices are localised. This could suggest that the similarity of HRM system could determine the extent of control by the home company.

The literature on international strategy (Rosenzweig and Singh, 1991; Westney, 1990; Bartlett and Ghoshal, 1989; Gupta and Govindarajan, 1991) suggests that there cannot be uniformity in the application of SIHRM orientation across subsidiaries which brings about the strategic role of the subsidiary. This role is important as it determines the extent of similarity and subsequently control, which is the foundation of the resource dependence theory (RDT). RDT argues that a firm is dependent on other actors as the firm is incapable of producing all that is required in maintaining itself (Aldrich, 1976, 1979; Pfeffer and Salancik, 1978).

Consequently, the extent of dependence of a firm on a specific subsidiary will determine the extent of their control on the subsidiary's HRM system and this is influenced by the strategic role of the subsidiary. This role could be characterised by the quantity and the course of flow of resources between the home and the host companies (Gupta and Govindarajan, 1991). This framework based its assumptions on the resource dependence theory which indicated four different roles of a subsidiary on the flow of knowledge: i) *global innovator* which is characterised by increased outflow of resources from the home company and a reduced inflow of resources to the subsidiary; ii) *integrated player* characterised with increased outflow and inflow; iii) *implementater* characterised with reduced outflow and increased inflow; iv) *local innovator* characterised with a reduced outflow and inflow. The focus of the authors on the flow of resources was on two dimensions: 'volume and direction'; they put forward that dimensions are critical to the distribution of resources although they were unable to clarify how this would tackle the issues of 'substitutability' of a resource to the control of MNCs over their subsidiary (Taylor *et al.*, 1996).

Other factors that could influence the strategic role of subsidiaries and the extent of similarity between the home and the host companies' HRM systems are the method through which the subsidiary was established and cultural and legal distance between the home and the host company (Milliman *et al.*, 1991; Rosenzweig and Singh, 1991; Schuler *et al.*, 1993). According to Rosenzweig and Nohria (1994), the investment type could affect the extent of the similarities between the home and the host countries' HRM systems, for instance, following other theories as suggested by Schular *et al.* (1993), a subsidiary that was set up as a green field investment is likely to have a high degree of similarity with the HRM system of the parent company. On the other hand, where there is a collaboration with a local company in setting up a subsidiary or acquiring a pre-existing company, institutional pressures are eminent because local practices have been in place prior to the MNC coming on board.

The literature (Rosenzweig and Nohria, 1994; Schuler *et al.*, 1993) further explains that the host country environment could influence the HRM system of the subsidiary; this includes the legal environment especially labour regulations, and the cultural environment that exists where the subsidiary operates. These factors could impact the extent of the transfer of parent company HRM systems across borders in order to ensure that internal consistency accomplished. Cultural influence is so strong that it could impact on the feasibility of adopting a particular management system developed in one country across various countries (Hofstede, 1993 cited in Taylor *et al.*, 1996). Other things being equal, if the home country's management practices are similar to that of the host country, then it is feasible for

the MNC to attain internal consistency in their HRM practices, as these similarities could reduce the barriers associated with the transfer of HRM practices across borders (Taylor *et al.*, 1996). Nevertheless, the resemblance or variation of culture may perhaps not affect an MNC with an adaptive SIHRM orientation for the reason that local practices are adopted. Overall, the greater the dissimilarities in the culture of the home and the host country the less likely a successful transfer of HRM practices.

2.4.3 Subsidiary employee group's HRM system

This is the third part of the SIHRM model and this focuses on a particular group of staff within the affiliate. The SIHRM system represents an effective control strategy used by MNCs to ensure employees abroad represent the best interest of the firm because certain practices: reward system, performance appraisal, training and development could be used to direct and manage the behaviour of individuals. The RDT model could be used here to explore the factors that could influence how a group of employees are managed. Whilst MNCs are relatively reliant on a particular subsidiary, some employees at the individual level may possess certain skills and knowledge that are comparatively necessary to the operation of the subsidiary and the MNC altogether (Edstrom and Lorange, 1984). To the point where unrestricted power is possessed by employees over their resources and this knowledge maybe “company specific and situation specific” (Taylor, *et al.*, 1996: 978), this will result in the reliance of the MNC on these employees; hence the MNC will want to exert some control (Pfeffer and Salancik, 1978). Certain assumptions were made by Taylor and his colleagues concerning the employees' group within a subsidiary which is that ‘all employee groups are created equal’; they further went on to say that some employees are vital to executing the strategic role of the subsidiary and the competitiveness of the subsidiary. For instance, a research and development establishment abroad is possibly going to impact the competitiveness of the entire MNC more an employee in a clerical position within the same subsidiary. Although the SIHRM orientation of the MNC determines the extent of control over the subsidiary HRM system, not every employee within the subsidiary will undergo the same level of control. Subsequently, the similarity in HRM system of both the host and home companies will increase for subsidiaries with employees who possess skills and knowledge that are vital for implementation of the strategic role of the subsidiary.

This demarcation on the types of employees was identified by other authors (Rosenzweig and Nohria, 1994; Evans and Lorange, 1989); some models provided a categorisation known as ‘white collar’ and ‘blue collar’ employees. The ‘white collar’ category was emphasised more; nevertheless, Taylor *et al.*'s model recognises the role of non-managerial

employees stating that their role could be more vital to the firm than top management staff to implementing the subsidiary's role. They further explained that this role is not static; over a period of time, those employees 'may acquire greater importance to achieving the goals of the MNC' (Taylor et al., 1996: 979).

2.5 The Role of the HR Department

According to some academic scholars in the field of HRM, considerable emphasis has been laid on the nature, structure and the role of HRM (for example, Boxall and Purcell, 2011; Mayrhofer *et al.*, 2011; Brandl and Pohler, 2010; Brewster *et al.*, 2006; Farndale, 2005). Structuring the HR function would help to accomplish internal consistency and consonance with other departments within the firm, thereby increasing the company's performance (Evans *et al.*, 2011). Understandably, there is a lot of research on the role of HR in developed countries (Hailey *et al.*, 2005; Ulrich and Brockbank, 2005; Whittaker and Marchington, 2003; Caldwell, 2001, 2003, 2008; Wright *et al.*, 2001; Ulrich, 1998). Nevertheless, due to globalisation, research activities have been increasing in developing countries in the area of HRM (Mamman *et al.*, 2009; Sumelius, *et al.*, 2009; Aycan, *et al.*, 2007; Mamman *et al.*, 2006; Horwitz *et al.*, 2006; Budhwar *et al.*, 2006; Budhwar and Debrah 2004; Baruch and Clancy, 2000). Irrespective of these advances, the role of HR in developing countries is still limited. Given that research in this area is noteworthy as HR departments play an important role in the integrating of organisational strategy with HR practices, the role of an administrative expert for HR practitioner is no longer suitable; instead, a more strategic role is required (Ulrich and Brockbank, 2005; Ulrich *et al.*, 1997). Therefore, in this section, the various role of HR is explored.

A review of literature on the roles of HR

Different studies have explored the role of HR over the past years and these studies have resulted in different classification and categorising of the role of HR. One of the earliest studies conducted classified fourteen roles into three different categories: strategic, legal and operational (Wiley, 1992). Amongst the three categories, the strategic role was considered very important and HR managers must engage in these roles; seven roles were identified from this category: "consultant, assessor, diagnostician, innovator/change agent, catalyst, business partner and cost manager" (Wiley, 1992, cited in Mamman and Somantri, 2014).

Further research considering 256 HR personnel was conducted in this area and four popular categories for HR roles was developed (change agent, strategic partner, employee champion and administrative expert) (Conner and Ulrich, 1996). The findings from the study

identified two roles (employee champion and administrative expert roles) with the maximum rating and two with the lowest rating (strategic partner and change agent). Nevertheless, this roles of strategic partner or change agent were not well dichotomised; hence, connoting that the role could be implemented simultaneously. This categorisation was subsequently modified (Ulrich and Brockbank, 2005) and this typology is considered as up to date in explaining the role of HR. IN previous studies conducted in 15 companies in the UK, four HR roles was identified: '*Advisors; Handmaidens; Regulators and Change makers*' and these roles were further classified into two dimensions: *intervention* versus *non-intervention* and *strategy* versus *tactics*. Invariably, HR is considered more strategic if they have an interventionist approach (Storey, 1992). On the other hand, they are seen to play an administrative role if they are non-interventionist. At this point, it is noteworthy to mention that the effectiveness of Ulrich and Storey's framework has not been explored in the context of developing countries (Mamman and Somantri, 2014) and concerns have also been raised in developed countries of the effectiveness of both models. For instance, from the study carried out by Caldwell on HR roles using Storey and Ulrich's model within the public and private sectors in the UK, Caldwell (2003: 983) concluded that:

"Storey's typology has lost much of its empirical and analytical veracity, while Ulrich's model ends in prescriptive overreach by submerging issues of role conflict within a new rhetoric of professional identity. Neither model can adequately accommodate the emergent tensions between competing role demands, ever-increasing managerial expectations of performance and new challenges to professional expertise, all of which are likely to intensify in the future."

Caldwell noted the need for these classifications to be re-examined owing to the dynamic socio-cultural and economic environment of developed nations and the peculiar environment of developing nations.

Setting aside the criticisms of Conner and Ulrich's model, firstly, it clearly highlighted the elements of each role; secondly, it was adapted from previous studies and it acknowledges that these roles are performed by HR; thirdly, the model affirms the changing nature of HR activities; fourthly, it is commonly used by researchers in this field (Caldwell, 2001, 2008; Wright *et al.*, 2001; Truss *et al.*, 2002; Keegan and Francis, 2010); and finally the model is coherent and could be used in contemporary HR (Vosburgh, 2008).

Other researchers have also investigated the roles of senior and HR managers in Singapore (Cunningham and Debrah, 1995); and another study examined this role in terms of the strategic planning process, and three role were identified: 'advocate, stakeholder and

facilitator'. The advocate role suggests that HR is duly involved in initiating the strategic planning process and seeing it through; the stakeholder role is HR ensuring that the needs of the organisation are represented during the planning process; and the facilitator role is about coordinating the process (Rowden, 1999).

Foote and Robinson (1999) carried out a detailed study of the role of HR managers. They set out with the aim of making out whether HR managers were the strategists or conscience of the organization. Their findings revealed that the strategic role of the HR practitioner was limited. The role of HR in the incorporation of ethics into organisational procedures was studied in Australia by Martin and Woldring (2001) via a sample of members of the Australian Human Resources Institute. In the course of the study, they found out that for organisations that integrated ethics, the HR personnel was actively involved.

To scrutinize the strategic role of a partner, Lawler and Mohrman (2003) had to study a selection of medium and large US companies for a period of six years. They reached the conclusion that, concerning strategy advancement and functioning, it is necessary for HR to be actively involved. In order for this to be possible, HR needs to give attention to the "planning, organisational design and development". Also, in addition to being well-informed on HR matters, HR staff need to maintain a closely connected relationship with the line manager. The Ulrich model was used by Simpkins (2005) in the private and public departments in the USA to examine the roles of the HR specialists. They concluded that in both departments, the most significant role was the role of the professionals in charge of administration and the role of the catalyst was the least significant. This meant that the HR professionals in the private department carried out their roles actively with the exception of administrative roles. An analysis of literature on the roles of HR reveals current development.

Current literature and conceptualization on the roles HR

Over the past few years, there has been remarkable development in the conceptualisation of the roles of HR and the competencies of HR (see Storey *et al.*, 2009). The concept of the core purpose of HR and how HR professionals get strategic and functioning suggestions was put forward by Rucci (2009). He defined the core purpose of HR as value creation by means of aligning the goals of the organisation with its intellectual and human capital. The dedication and suggestions of the employee can help in achieving this.

Still on the role of HR professionals in the process of strategic change, Buchanan (2009) offered practical input. He put forward no less than four likely roles that HR professionals can

play during strategic change, thus: “change champion role, adapters role, consultant role and synergist role.”

Ulrich *et al.* (2009) provided a category of options which can be used by organisations to set up their HR department. The first category is hinged on a situation in which the role of the HR is structured in line with the make-up of the business (that is, “holding company; single business; diversified/allied business”). The second category is hinged on a situation in which HR is organized by dividing the role into business and transformation activities and distributing the roles into five roles and responsibilities (that is, “centre of expertise; corporate service; embedded HR; operational HR; service centre”).

Brockbank and Ulrich (2009) also put forward a current input to the literature on the role of HR. They maintained that there are definite competencies that HR professionals must gain in order to execute their roles and make a difference. They put forward some competencies that HR professionals must have, thus: “strategic contribution competency; personal credibility competency; HR delivery competency; business knowledge competency and HR technology competency.”

Ulrich’s typology of HR roles

Ulrich’s study tries to make an elaborate evaluation of the roles of HR by highlighting the possible HR roles as indicated by specialists, researchers and academicians.

According to Ulrich (1997), there are four key roles for HR professionals along two dimensions, i.e. process vs. people and strategy vs. operations. These are administrative expert, strategic partner, employee champion and change agent. Ulrich’s work presents one of the most systematic frameworks for identifying new HR roles, though his is more prescriptive and informative than empirical (Caldwell, 2003).

Strategic partner

Ulrich (1997) is of the view that the primary role of HR includes being a key partner in the process of strategic decision making. On the other hand, he stated that strategic decision making remains the obligation of the senior executive team and HR is a functional part of the team to propel and guide major dialogue on the organisation of the company so as to implement its strategy.

The ability to influence strategic decisions is one of the advantages of the head of HR on the board. The concern is if the input by HR is taken into consideration, then does it make HR

issues considered more seriously? Storey (1992) argues that personnel directors were hardly involved in making significant strategic changes. Similarly, Purcell (1995) suggests that both finance and personnel practitioners believe that their involvement is most significant at the implementation stages. However, variation seems to exist depending on countries. The Cranet study shows that between half and two-thirds of most organisations claim to have a top HRM specialist involved from the start. From the development of the decision stage, the UK tends to reflect involvement at the board level (Farndale, 2005). In Sweden, there are quite a number of HRM specialists who are board members yet do not participate in developing of corporate strategy till the later stages of the process. In Germany, the HR function is considered from the start, but companies consolidate with even no board members being a HRM specialist in the development of corporate strategy (Waechter and Muller-Camen, 2002).

The responsibility vested in line managers for people management is one of the vital points that differentiate HRM from 'personnel administration' (Freedman, 1991; Legge, 1989; Mackay and Torrington, 1986; Schuler, 1990; Weiss, 1988) and this is an indicator of the strategic role of HR. However this function varies worldwide. The question of the balance between the HRM department specialist and the line manager who sees to the daily supervision of employees has been an issue of discussion for almost two decades (Brewster and Lersen, 1992; 2000; Brewster, *et al.*, 1997; Brewster and Soderstrom, 1994; Hoogendoorn and Brewster, 1992; Larson and Brewster, 2003; Mayrhofer *et al.*, 2011).

Administrative expert

Ulrich's (1997) HRM new administrative expert role involves facilitating improvement in operating efficiency, being involved in delivering HR processes and ensuring the effective implementation of HR processes, giving more time to operational issues. According to Caldwell (2003), HR has steadily improved organisational efficiency by redesigning HR functions and other relevant work process.

Employee champion

This role combines the focus on people and daily operational issues (Ulrich and Brockbank, 2005a, 2005b). Thus, the role is to ensure maximum commitment of employees, their competence, and that there is an improvement in their overall responsiveness to change (Ulrich, 1997).

Ulrich (1997) posited that one of the vital HR roles is to be an employee champion by actively representing challenges to senior management and equally ensure that there is an increase in the contribution of the employee; that is their commitment and willingness to deliver positive outcomes to the organisation.

Change agent

This is a strategic role. Change agents are faced with the task of providing organisational transformation and culture change (Francis and Keegan, 2006). Ulrich (1997) has strongly highlighted the obvious compatibility between HRM and change orientation HR roles. It argues that HR should be an agent of constant change, communicating process and a culture which enhance an organisation's capacity for change.

Guest (1987) and Storey (1992) highlighted that change agents are equally interventionists with a strategic programme geared towards both hard realities of business performance and softer HR interventions created to improve employee motivation and commitment.

The view of Ulrich (1997) has influenced many practitioners in the field of HRM; even though this is considered quite blurred or overambitious by some. According to the updated Ulrich and Brockbank (2005) model, they identified five roles of HRM:

- Employee advocate
- Human capital developer
- Functional expert
- Strategic Partner.
- HR leader

In this new model, employee champion; a category in the previous model by Ulrich (1997) was divided into two parts:

- Employee advocate which is a role focused on meeting the needs of today's employee and
- Human capital developer is geared towards the development and the preparation of employees for future success

The three other features of the model are:

- *Functional expert*: Retaining that administrative practices are fundamental to HRM values, though a more engaging heading other than administration is being

recommended by the model. A number of HRM practices are offered via administrative efficiency (for example, technology or redesign of processes), and also through policies and intervention.

- *Strategic Partner*: This has various dimensions such as: business expert, change agent, SHRM conveyer knowledge manager, and consultant.
- *HRM leader*: there is an emphasis in this model not only on leadership within the functions of HR but on also of the other functions including general management (Ulrich and Brockbank, 2005). Therefore, this involves not just the development of the four other roles but, for instance, collaboration with the other functions, setting and the enhancement of strategic thinking standards, thereby ensuring corporate governance.

Table 2.4: Adaptations to Ulrich's HR Model

1997	2001	2005
Strategic partner	Coach	Strategic partner
Administrative expert	Leader	Functional expert
Employee champion	Conscience	Employee advocate/ Human capital developer
Change agent	Facilitator	HR leader
	Architect	

Source: Ulrich (1997), Ulrich and Beatty (2001), Ulrich and Brockbank (2005)

2.5.1 The effects of comparisons between differences in cross-national HRM department roles

Evidence shows that in relation to the HRM department size, there is an undisputable fact that the imaginary universal performance and technological pressure experienced globally by the HRM function is not equally available everywhere in the world (Brewster *et al.*, 2006). In different countries of operation, size varies with sector and also how large the entire organisation is; however the HRM functions of the larger organisations tend to be smaller. Ironically, stronger unions tend to be associated with the relatively smaller department. Similarly, countries attributed with strong unions have smaller HRM functions, also globally, the organisational unions have a negative relationship with the HRM department size, and the HRM function size has recorded very little change within the past decades (Mayrhofer *et*

al., 2011). The reason for this is not clear, as it could be that there are changes but not in the magnitude expected, or the fact that the HRM function is more diverse in its recent roles.

In practice, interference of culture and institutions may affect the activities of a HRM department. For instance, policy creation is easier in countries with lower hierarchy as it can be in written form for all to see and understand. However, in other countries high in hierarchy, top specialists may formulate policies without bothering themselves with the cumbersome task of paper work as their position gives them the necessary authority for the implementation process. With reference to unions, strong trade and legal limitations means the HRM process is more formalised and has more priority in corporate strategy in order for the organisation to act accordingly and within its boundaries.

Studies in Germany and Austria show that increased social regulation imposed by employee representatives restricts the HRM function and limits their strategic tendencies to integrate (Waechter and Muller-Camen, 2002; Brandler and Pohler, 2010). Albeit, there is evidence that board representation of HRM function had a period of rapid growth and convergence in the 1990s in most countries. Although recent research shows that the legal requirement for employee representation still obstructs the attainment of strategic integration in Germany and Austria (Vernom and Brewster, 2009). Internationally, work councils are active but unions tend to be stronger. Thus, the representation of HRM on the board is characterised with organisations with strong unions, as it views itself as being part of the decision making process, which is central (Vernon and Brewster, 2009).

Evidence from the aforementioned Cranet data can be used in international comparison of HRM board representation. For instance, countries with strong labour laws and magnanimous welfare like France and the Netherlands may advocate for the HRM department to be strategically integrated while there is restriction of this due to the narrow social regulation of work in the USA. In situations where there is adequate employee representation, organisations are more committed to strategic integration than in the absence of it.

2.5.2 HRM departments' role and best practice

In the UK and other countries 'personnel' was viewed as being a 'backwater' as its function were limited just to issues such as grievance management, payroll, and health and safety. Generally, it is suggested that the HR functions be distinctive from personnel functions. Thus

the emphasis for a more strategic HRM function as opposed to the reactive 'firefighter' role of the personnel department (Boxall and Purcell, 2011; Brewster *et al.*, 2006).

The responsibility of best practice is mostly dependent on the connection between the line manager and HR function. Applying Ulrich and Brockbank's (2005) model of roles of the HRM department, some consequences of duty allocations to line managers can be analysed. Ulrich argues that all HR activities are important but the specialist could act as adviser to the line managers on how to carry out activities or some argue they could act as the worse bureaucrats.

To successfully perform their role in theory, HR specialist has to work closely with line managers as they share in the creation and implementation of policies thus in theory can be considered partners. There is evidence to the fact that HR specialists can be instrumental as strategic change makers (Gennard and Kelly, 1997); from a divergent point of view, line managers are not so cogent, this is because some of the top executive may want the HR department to have a strategic role whereas the line managers just want normal bureaucratic function for their HR department. Thus they will prefer an operational rather than strategic partner; this suggests a particular partnering view which means that the focus is on what is necessary and not on what is desired by your partner.

However, certain changes may need to be made with regard to the structure of the HRM department. Hutchinson and Wood (1995) argue that current distribution of responsibilities in the HRM department may have certain consequences. Among such consequences are higher status as those involved would have proved their worth; however, more research is required on this. Also, research shows a movement of the department towards generalist roles where more staff members are able to take on more responsibility as opposed to fragmented specialist roles (Gennard and Kelly, 1997). However, Adams (1991) and Sisson (1995) assert that there is the need for specialisation.

There is a continual shift in the responsibility and attainment of balance between HRM functions and line managers across countries (Gennard and Kelly, 1997; Torrington, 1989; Tyson, 1995). However the focus on people management, skills development and general awareness within organisations is still vital. Also attention needs to be focused on the requirement for people who make up these organisations. These requirements are essential not only to specialist HR but also to line managers likewise. However, limited evidence exists to show that there is better performance in larger, smaller or more strategic HRM

departments. It is possible that the integration of line managers and HRM specialists rather than their independent roles are responsible for superior organisational performance.

2.6 Transfer Processes

Understanding how certain HRM practices come to exist in a specific subsidiary also entails examining the processes and mechanisms through which HRM knowledge and practices are integrated in MNC subsidiaries. Integration may be conceptualised as encompassing elements of both coordination and control (Cray, 1984; Kim *et al.*, 2003). Previous studies indicate that control mechanisms have been utilised in the transfer and integration of HRM policies and practices. Hence, in order to achieve integration, the key element is directing behaviour and using power relations existing between parties involved (Harzing, 1999; O'Donnelle, 2000). On the other hand, the coordination mechanism suggests that in order to transfer practices effectively, some degree of localisation is essential. According to Kim *et al.* (2003), coordination has to do with the creation of linkages between geographically dispersed units of a function; however, control focuses on ensuring that business activities are regulated in order to align with expected set targets. Integration mechanisms have been classified under four main categories: people-based – facilitated through training, networking, and transfer of personnel across units; formalization based – standard procedure based on rules, manuals and policies; information-based – flow of information via intranet, databases and electronic means; and centralisation – where decision making resides with the parent company (Kim *et al.*, 2003).

The above mentioned modes are respectively consistent with the work of Galbith (1973) who also explored four modes: lateral relations, information systems, rules and programmes and hierarchical referral. However, other studies (Martinez and Jarillo, 1989, 1991; and Mark and Simon, 1989) have also respectively introduced some categories of integrating modes including formal and information coordination and coordination by plan and coordination by feedback, but they are not elaborated enough for this research context.

The aforementioned four classes of integrating modes explored in the current work are not mutually exclusive but rather theoretically interconnected, jointly comprehensive and well addressed so as to encapsulate all the dynamics associated with business functions integration across national boundaries. To a large degree, they all individually come as parts of a firm's collection of what is required to successfully integrate business functions across the globe (Kim *et al.*, 2003; Gupta and Govindarajan, 1991 and Martinez and Jarillo, 1989). The four modes are specifically discussed below.

2.6.1 People-based

People are one of the greatest assets used by organisations all over the world to effectively coordinate and control their business functions across national boundaries. This occurs by transferring teams, persons in charge of integrations and negotiations, managerial staff, meetings, and trainings across borders. Edstrom and Galbraith (1984) and Child (1972) respectively suggested that this mode of integration involves the movement of people from the parent company to the subsidiaries in order to 'exercise control over employees' in such locations and also to initiate some form of 'socialization and cultural control' in such locations. These, according to Gupta and Govindarajan (2000), ensure that organisational values, vision and norms are shared among employees, thus building trust amongst them. This mode is mostly adopted in circumstances where organisational knowledge and information is transferred among employees on a face to face basis.

2.6.2 Information-based

Organisations also globally integrate their business functions through the adoption of information systems. This is done through the transfer of information across national boundaries through electronic means including the use of emails, internet, organisational intranet, and any other kind of database. This could also be referred to as coordinating internationally through the use of communication systems and controlling by efficient management of data (Kim *et al.*, 2003; Doz and Prahalad, 1981, Galbraith, 1973). This mode is more effective in situations that present the need for urgent transfer or dissemination of information, or in a situation where there is urgent need for the analysis and interpretation of big volumes of information without too much adoption of communication on a face-to-face basis. This mode of functional integration has been identified to be effective in the communication or transfer of knowledge through impersonal means and a medium through which individuals having similar interests or concerns are brought together (Kim *et al.*, 2003, Hansen *et al.*, 1999).

2.6.3 Formalisation-based

Organisations formalise the way certain business functions are carried out in their subsidiaries across national boundaries as a way of integrating these functions. This mode of integration is implemented through the standardization of work practices, policies, processes and regulations (Child, 1973). Thus, the level of its effectiveness is dependent on the extent to which work practices, policies, procedures and regulations are vividly elucidated or explained and properly understood across subsidiaries (Kim *et al.*, 2003). This

mode of integration could also be referred to as coordination by bureaucratic control (Baliga and Jaeger, 1984) or standardisation (Thomson, 1967).

2.6.4 Centralisation-based

This mode of business functions integration deals with the centralisation of power and decision making at the top level of management in a multinational company. Under this mode of integration, the power to make decisions regarding the transfer of business functions around the world lies solely at the head office which has a larger concentration of top management executives who are knowledgeable about company practices and functions. This mode becomes more useful in situations where there is need to integrate geographically spread units in order to enhance the achievement of global economies of scale, scope and learning (Egelhoff, 1988). It could also be seen as control by strategic centralisation (Child, 1972).

2.7 Conclusion and Propositions

The feasibility and desirability of transfer of HRM policies and practices are strongly influenced by several factors. The question posed is: How do these factors affect the transferability of HRM practices to the subsidiaries of EMNCs? The literature has established that culture, institutions, political, legal, social and economic factors within the host country could affect the extent to which HRM policies and practices are transferred. In some cases, EMNCs operating in a different market may be faced with the challenges of changes in laws and regulations, limited resources and lack of infrastructure. These challenges and complexities may propel EMNCs towards localising their practices as a result of several uncertainties surrounding the new market and host country. If there is an enormous difference between the home and host countries, the local HR practices are most likely to be adopted especially for more culture-specific practices. However, for firm-specific characteristics, standard practices would be adopted. The literature further supports that more localised HR practices will be adopted in developing countries in cases of more diverse countries of origin and host countries (Beechler and Yang, 1994; Schuler *et al.*, 1993). Due to the differences in the macro-environment in developing countries, a polycentric strategy is likely to be adopted by MNCs therefore taking into consideration local HR practices (Wasti, 1998).

This author feels that due to the unpredictable and diverse environment coupled the differences in developed and developing country management frameworks, this could result in some tensions and friction in the relationship between the EMNCs and their subsidiaries.

Therefore, in these diverse situations proper planning and the consideration of crucial factors would be important in the transfer of HR practices. From the literature review, it is obvious that certain factors should be taken into consideration in the course of the transfer of HR practices: industry characteristics, country/regional characteristics, structure of international operations, headquarters international operations, competitive strategy and experience in managing international operations. In the same vein, EMNCs are attracted by the robust business opportunities.

Based on the review of literature, the following propositions are made with regards to the EMNCs transfer of HR policies and practices to Nigeria:

P1. The strategies adopted by an EMNC whether multi-domestic or global would influence their orientation/strategy towards the transfer of HR practices in developing countries.

P2. Due to the differences in institutional frameworks, the EMNCs in designing their IHRM policies and practices would need to consider the fit between the headquarters and foreign affiliates.

P3. MNCs from emerging markets intend to adopt an 'ethnocentric' or 'exportive' approach in the management of their affiliates in developing countries.

P4. The level of the development of the parent company and their subsidiary will influence the extent of standardisation or adaptation. If a wide disparity exists between them, then the likelihood of transfer of HRM practices is high. On the other hand, if the dissimilarity is minimal, then localisation of HRM practices is eminent where it fits better.

P5. HRM practices must be looked at independently, as there some disparities in different HRM practices.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The previous chapter reviewed the literature regarding the transfer of practices. This chapter discusses and justifies the appropriateness and rationale of the study's methodology. The philosophy and research paradigms are outlined providing comparisons with the selected one; justification is provided for the selection of an interpretivist research paradigm, a case study methodology and the justifications for this; the criteria for the multiple case selection with a holistic design; and the process of data collection whilst ascertaining the connections with the working propositions and the main themes; followed by the data analysis; also, limitations are highlighted and the ethical considerations.

3.2 Research Philosophy

In this section, the different philosophies, approaches, strategies, techniques and procedures of conducting a research are reviewed. This is achieved using Saunders *et al.*'s (2008) 'research onion'. Some researchers are of the view that it is necessary that in carrying out a research work within the business and management field, attention must be paid to the research strategy chosen, which emphasises a researcher's commitment to a particular paradigm as this could hugely impact on the investigation process (Johnson and Clark, 2006). The paradigm refers to the ontological and epistemological views of researchers (Denzin and Lincoln, 2008).

According to Guba and Lincoln (1994: 107), a research paradigm is defined as a set of philosophies regarding how the world operates and a person's position in it. Some other researchers went on to say that it comprises of the patterns of beliefs, values and mind set shared by participants within a particular specialised body or field (Carson *et al.*, 2001). Drawing from these definitions, it could be said that a paradigm offers guidelines on how research could be carried out (Prasad, 2005).

There are a number of paradigms: pragmatism, realism, positivism and interpretivism, which are discussed in the following sub-sections.

3.2.1 Pragmatism

Pragmatism is the philosophical underpinning for mixed methods (Creswell, 2014); although there are mixed methodologists that favour a transformative paradigm (Tashakkori and

Teddlie, 2009). Pragmatists are not particular about any system of philosophy or reality. Thus, a researcher is free to draw from both quantitative and qualitative assumptions when conducting research. The importance of this worldview is that rather than focusing primarily on research methods, it focuses on the research problem and uses pluralistic approaches to understand the problem (Creswell, 2014).

3.2.2 Realism or critical realism

According to Healy and Perry (2000), realism or critical realism is a combination of attributes of both the positivist and constructivist approach. There is an assumption within this approach of a single reality and that an observation can be made by the researcher about various facets, bearing in mind its complexities (Trochim, 2003; Perry *et al.*, 1999). There is the recognition of the disparity between reality and how people perceive it with this philosophy (Bisman, 2002).

3.2.3 Positivism

This is the major paradigm fundamental to quantitative research methods and is supported by natural scientists (Creswell, 2014). According to Remenyi *et al.* (1998: 32), positivism is “working with an observable social reality and that the end product of such research can be law-like generalisations similar to those produced by the physical and natural scientists”. In order for researchers to develop a strategy, they are more likely to develop hypotheses that would be tested and established based on existing theory. The tests would be conducted as a part or a whole, or disproved, which would lead to exploring the theory and further research wherein they are tested.

According to Trochim (2000), the positivist approach is considered as a means of getting at the truth through science so as to make sense of the world in order to predict and regulate it. Furthermore, it is said that the world is predictable as the law of cause and effect exists; hence, using a scientific method, these effects are evident. Thus, science is an automated part of the positivist approach. A deductive approach is a scientific paradigm where postulated theories are tested.

At the heart of a positivist approach is the notion of empiricism where in undertaking a scientific work, observation and measurement are important. That is why experiment is emphasised, in the bid to understand natural laws via total observation and manipulation.

This approach is not suitable for this study as inductive reasoning is used for this research where there would be an investigation of issues where answers would be inducted rather than testing theories and drawing hypothesis. In addition, within the study of transfer of HR policies and practices, there are limited theories to be tested. Besides, several factors influence the transfer of practices and these factors are not static; therefore, it is impossible to replicate this research in precisely same situations.

The next sub-section is focused more on discussing the interpretivist paradigm and its relevance to this study.

3.2.1 Justification for the interpretivist paradigm

The complexity of the social world of business cannot be framed into definite theories and laws as is obtainable in sciences (Saunders *et al.*, 2009). Additionally, interpretivists are of the view that researchers should be able to decipher the difference in human roles as social actors. They also highlight that differences exist in conducting research between people and objects. Social actors here refer to the roles humans play in life and as actors their roles are interpreted in a way that reflects their views or that of the director. Correspondingly, a set of meanings is given to roles based on the interpretation of daily social roles; also, the social roles of others are interpreted based on the “set of meanings” (Saunders *et al.*, 2009: 116).

Also, Saunders and his colleagues put forward that the interpretivist approach is drawn from two intellectual strands: phenomenology and symbolic interactionism. Phenomenology is how “humans make sense of the world around us” and the latter is a process whereby the social world around us is continually interpreted, which will eventually have an effect on meanings and actions (Saunders *et al.*, 2009:116).

An empathetic view of the researcher is crucial to an interpretivist approach. However in exploring my research area understanding their view point could be challenging. It is being argued that this approach is suitable for conducting business research especially in the area of HRM, marketing and organisational behaviour as this area could be complex but at the same time distinctive (Saunders *et al.*, 2009: 116).

The research is exploratory and seeks to understand the nature of the transfer of HRM policies and practices by MNCs from emerging countries, which is an under-researched area of IHRM, A qualitative research method is seen as most appropriate to facilitate close contact with the subsidiary managers, HR managers and line managers to get the “direct experience of social settings and fashioning an understanding of social worlds” (Bryman &

Bell, 2007: 627). This study involves analysing the experiences, interpretations and views of HR managers and specialists, line managers of other functional departments, senior managers and others who are involved with people-related issues on the nature of HRM policies applied in subsidiaries of MNCs from emerging countries and their approach to the management of their human resources in overseas subsidiaries. It includes obtaining information on the role of local and corporate HR, and the monitoring and coordination of HR activities across borders. Consequently, an interpretivist research approach was also logical “to get the rich insights into the complex social world” (Saunders *et al.*, 2012:137).

Table 3.1: Research Paradigms

	Research Paradigms			
	Positivism	Realism	Interpretivism	Pragmatism
Ontology This approach is concerned about the nature of reality (Saunders <i>et al.</i> , 2016; Bryman, 2012).	Emphasises that only one objective reality exists and that things are structured.	The natures of reality are in stratum (the real, actual and empirical. Casual mechanisms exist. Structures are objective.	Highlights that reality is multiple and socially constructed. Rich and complex insight which often results in multiple meaning and interpretations.	Rich, external and complex insight. Fluidity of processes and practices ‘Reality’ is drawn practically from ideas.
Epistemology This approach is concerned about what is acceptable knowledge (Saunders <i>et al.</i> , 2016; Bryman, 2012).	The focus is on discovering facts that are observable and measurable. Causal relationship leading to law-like generalisations. Scientific methods are employed.	Recognises that knowledge is situated in history. Facts are socially constructed. The focus should be on elucidation within a specific context /contexts.	The complexity of the social world of business cannot be framed into definite theories and laws as is obtainable in sciences (Saunders <i>et al.</i> , 2016). “Direct experience of social settings and fashioning an understanding of social worlds” (Bryman & Bell, 2007: 627).	Takes a practical approach to understanding knowledge in a specific context (Saunders <i>et al.</i> , 2016). The focus is more on the practices, problems and relevance and how it contributes to future practice (Saunders <i>et al.</i> , 2016).

Source: Adapted from Saunders *et al.* (2016)

3.3 Research Strategies

This section is about research strategies and it focuses on discussing and justifying the chosen strategy. Research strategy may be defined as the broad orientation that was engaged in addressing research questions in an investigation (Robson, 1993). Yin (1984, 2009), Robson (1993) and Gill and Johnson (1997) suggest that there are different ways to categorise research strategies; for instance, they could be categorised under three main categories: experiment, surveys and case studies. Saunders *et al.* (2012) classified the strategies into seven different categories: Archival research, ethnography, grounded theory, action research, experiment, surveys and case studies. The focus is on discussing the case studies approach as this is relevant to this study.

3.3.1 Case Studies

Case study is defined as “a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence” (Robson, 2002: 178). Yin (2003: 5) also emphasises the significance of context, highlighting that “boundaries between phenomenon and context are not clearly evident”. Features of a case study include a selection of a small number of cases or a single case related to a specific situation; data collection via a wide range of techniques such as documentary analysis, interview and observation (Robson, 1993). This strategy is applied by researchers in a context where little is known and the researcher is keen on understanding a certain context; also when access is granted from individuals involved (Yin, 1994; Robson, 1993).

A number of advantages are associated with this strategy; an avenue through which specific responses are identified and expounded, particularly those associated with the respondents attitude. This strategy also provides a platform through which real-life proceedings are investigated whilst retaining the meaning and holistic nature of the events; complex social phenomena are understood and flexibility afforded as the researcher could adjust the design and different cases are selected from those originally chosen without distorting the aim and objective of the research. Additionally, a high degree of validity could be attained through the use of varied methods of data collection.

In contrast, there are some weaknesses associated with this study method. Miles (1997) criticised this method on the basis that it is primeval, spontaneous and could fall apart. He also pointed out that if an improved methodological enquiry is not established; qualitative research on organisations would merely become story-telling. Another downside is the

explicit and implicit bias from the respondents, which could have an impact on the findings and analysis of the researcher, the timing in completing the study and the issues regarding generalisation (Yin, 1981, 1994). Consequently, Bryman (1989) put forward that the reason case study strategy is not considered reliable is due to the difficulty in generalising the findings originating from different cases.

Stake (1995) highlighted five significant steps to follow in conducting a case research:

- Determining and defining research questions
- Case research design
- Necessary data collection
- Case description
- Case analysis

Determining and defining research questions

The initial step is to determine the questions to be studied. The best methods are determined by the researchers when the research questions are clear. The 'how' and the 'why' questions are answered using a case study approach.

Case research design

This is an important step as this goes a long way to linking data collected based on the initial questions to the conclusions reached. This involves the unit of analysis and the measure used in interpreting the findings. In a situation when multiple cases are used, it is important to choose between doing an analysis independently as a unit or analysis would be done one at a time.

Necessary data collection

Collection of a large amount of data could be facilitated using a case study research. Thus, there is the need for organisation and being systematic so as to avoid excess data. It is necessary for data to be tabularised and sorted to ensure easy interpretation.

Case description

In case description, many methods may be adopted, from descriptive to exploratory. Comprehensive information about the situation is provided using descriptive cases. This ensures that objective information on the case is provided. In the latter method, the

researcher is seen as an expert who is knowledgeable in that field with the aim to simplify the incomprehensible.

Case analysis

Analysis of qualitative data is quite challenging as much depends on validity instead of reliability. The understanding of people's experiences has to be authentically presented. Additionally, Hammersley and Artkinson (1993) suggested that in interpreting data, the context in which they are studied must be taken into consideration.

3.4 Justification of Strategy Chosen

According to some researchers (e.g. Robson, 1993; Zikmund, 2000), different strategies are appropriate for different studies; the authors also observed that the relationship between the strategies – for exploratory studies, experiments are considered suitable; surveys are applicable for descriptive research – and case studies are apposite in conducting explorative research. On the other hand, the strategies mentioned above could be applicable for the purposes highlighted above (Yin, 1994). In general, from the literature it is gathered that it is vital to use a strategy which is considered to be more beneficial. First of all, the research question should be well crafted; following that, the extent of the investigator's control on the events should be assessed; and thirdly, it should be specified if the emphasis of the study is on existing or previous events. See table 3.1 for a summarised view of these factors as explained by Yin (2003).

Table 3.2: Research strategy chosen

Strategy	Research question	Requires control over behavioural events?	Focus on contemporary events?	Important to the study
Experiment	How, why	Yes	Yes	No
Survey	Who, What, Where, How many, How much	No	Yes	no
Archival Analysis	Who, What, Where, How many, How much	No	Yes/No	Partially , when determining the case backgrounds
History	How, Why	No	No	No
Case study	How, Why	No	Yes	Overall strategy, primary focus on in-depth interviews

Source: Yin (2003)

From table 3.1, it is observed that the “how” and “why” are used whilst conducting an experiment; however, the behavioural events are controlled by the investigator and are focused on contemporary issues. Surveys are considered in answering the questions “who”, “what”, “where”, “how many”, “how much” and with this strategy, behavioural events are not controlled and just like the former, contemporary issues are also the focus.

In view of the analysis above as suggested by Yin, in contrast with the other strategies highlighted above, case studies are used when there is no control over the events and the focus is on contemporary issues. Considering Yin’s view, experiments are accordingly left

out of this research as it would be an uphill task to have segments of trial and control clusters within the organisation and the course of events are not controlled by the investigator. Going further, it would be difficult to gather rich data considering the contextual factors of this study, so using an experiment strategy as the focus would be on small number of variables and would separate the context from the phenomenon (Yin, 1994, 2003).

Likewise, surveys would not be appropriate for a number of reasons. First, surveys are limited in providing insights regarding understanding the context within the MNCs where transfer of HR practices takes place. Second, the variables in explaining MNCs' behaviour are not clear; hence, surveys are not appropriate as it is difficult to use them in extrapolating causation. In addition, some of the contextual variables influencing the MNCs' transfer of HR practices are not compatible with numerical measurement. Third, realistically, difficulties arise in carrying out exploratory studies with the use of surveys. Therefore, whereas open-ended questions would be suitable for qualitative study in the field, survey would be inadequate and unproductive due to the use of questionnaire and time would be consumed in the process of interpreting and analysing data. Finally, it would be difficult to find a suitable sample representation to generate population validity and generalisation for this study as a result of the small number of companies from emerging countries.

Conversely, bearing in mind the objectives of this study, a case study strategy is considered for a number of reasons. Firstly, the study is intricate as it concerns understanding the nature of HRM policies and practices applied in subsidiaries in Nigeria. Secondly, it involves analysing the processes of integrating HRM knowledge, policies and practices into the subsidiaries. Thirdly, to evaluate the factors that may have influenced the transfer of HRM in the MNCs' subsidiaries. Fourthly, limited evidence exists regarding the behaviour of EMNCs in developing countries. Consequently, data collection regarding this phenomenon is essential. Fifthly, the "how" and "why" question is used in research that centres on understanding contemporary issues and in addressing a process which has not been comprehensively studied; hence, it is consistent with a case study approach (Leonard-Barton, 1990); also, in this case, the researcher has minimal control over the events (Yin, 2003). In this research, contemporary issues are explored in the five EMNCs subsidiaries studied. Sixthly, the complexities surrounding real-life interventions cannot be explored through experimental or survey strategies. Finally, the relevant variables cannot be easily influenced nor events regulated by the researcher.

Additionally, some researchers put forward that qualitative data is important as it helps to explore the fundamental relationships and expand the focal point being examined to take

into account the context of the occurrence of IHRM activities (Varadarjan, 1996; Welch, 1994). Similarly, Ferner (1997) advocates for qualitative case study as this helps in following the course of complex relationship, investigate processes and discover how MNCs make decisions. Hence, a quantitative approach is not recommended as this does not fit into the context being studied and may leave the researcher with inaccurate result; rather a qualitative approach is being adopted for this study as it is inductive and fits into research in the area of transfer of practices (Yin, 2003; Chew, 2001; Napier and Vu, 1998).

3.5 Criteria for Multiple Case Studies Selection

Case study research has two alternatives. A single case-study could be adopted by the researcher, or a combination of more than one case to form a multiple-case study could be used. Yin (2003) made a clear distinction between a single and multiple case studies. A single case relies on a particular case whilst a multiple case investigates a number of cases. According to him, a single case study is conducted for three main reasons: an existing theory is being critically tested; there exists an exceptional and uncommon case; and the case might be expository. Nevertheless, caution is required in using a single-case design as eventually; the case may not indicate what it seemed it might from the start. Additionally, generalisability could be limited, and biases exist where a single event is misinterpreted or guessed as a result of 'unconscious anchoring' (Leonard-Barton, 1990). Therefore, multiple-case design is promoted by several researchers as a result of: improved generalisability (external validity); extensive understanding and elucidation; and observer biases are contained. Generalising the findings of studies in relation to wide-ranging theories or social context save for those in which the data collection was made is referred to as external validity (Gill and Johnson, 1997; Yin, 1994). For instance, the logic of replication could occur whilst organisations being studied are compared in a systematic way (Jahkowicz, 2000); in a situation where from the different cases being studied, similar results are obtained, at that point, replication is said to have taken place, hence, results might be established for a greater number of cases that are similar (Yin, 1994; Blumberg *et al.*, 2008). In line with this, a distinction was made between 'literal' and 'theoretical' replication by Yin. The first one is when related results are obtained from all case studies for predictable reasons, while theoretical replication occurs when dissimilar results are obtained from the cases for foreseeable reasons; Blumberg and his colleagues (2008: 377) referred to it as dissimilar cases that are selected and differ from each other on "theoretically important dimensions".

Secondly, in order to widen understanding and clarification, a multiple-case design is used, subsequently, whilst making comparisons of various sites, opportunities are not only

afforded the researcher to discover the exact conditions in which a particular finding might take place but to possibly put forward other wide-ranging categories of how those conditions may be connected. Moreover, this design could afford the investigator more adverse cases to reinforce theory, by linking and exploring similarities and dissimilarities through cases (Miles and Hubberman, 1994). Following the above merits of multiple-case study approach is a third advantage, which is that the findings are likely to be more convincing as the replicated results would be more persuasive for the strength and thoroughness of the whole study (Yin, 1993, 2009).

Primarily, the study utilised a multiple case study design to enable a systematic investigation towards achieving the research aim and objectives and to increase the reliability and validity of the investigation (Denzin, 1989). Welch (1994: 140) is of the view that 'there is a need for qualitative studies which explore possible underlying relationships, and broaden the focus of examination to include the context in which IHRM activities occur'. Ferner (1997: 31) also supports that 'qualitative case study research follows through complex linkages, explores processes and uncover how decisions are really made in MNCs. According to Yin (1994), case studies can be categorised into single and multiple case studies. He highlighted some reasons why either of them is used; single case studies are used in cases where existing theories are critically tested, a rare case, and in a situation where the case reveals something. This needs to be carefully considered as it may not eventually represent its initial stance. Therefore, there might be some limitations in its generalisability and some bias involved (Leonard-Barton, 1990). Consequently, multiple case studies have been subscribed to by so many scholars as this enhances generalisability (external validity); understanding and explanation are deepened and observer bias is minimised (Yin, 1994; Gill and Johnson; 1997) as various sites are compared and results are more likely to be convincing as replicated results from cases would result in a strong confidence in the study as a whole (Yin, 1993).

There are some advantages and disadvantages of a multiple case study design in comparison to the single case study design (Herriot and Firestone, 1983 in Yin, 2014). The facts substantiated from a multiple case study approach are most times considered more convincing and the entire study considered more robust and rounded. Also the rationale for selecting a single-case design cannot be typically satisfied by the choice of multiple cases; invariably, single case study design is likely to be applied only in unusual, critical or cases that are revelatory in nature (Yin, 2014). Furthermore, conducting a multiple case design is more cost and time consuming and may exceed the resources of an independent researcher. Therefore this decision is to be given careful consideration.

According to Yin (2014), the selection of a multiple case study design will bring about another set of questions and it is important to consider just as mentioned previously replication design which should reflect some theoretical interest.

3.5.1 Holistic Approach

The design of single and multiple cases can be either holistic or embedded. A holistic approach is employed when a single unit of analysis is employed for each of the several cases that were selected (Yin, 2003). Conversely, if the organisation's sub-units are examined, then an embedded approach would be applicable (Yin, 1993, 1994, 2003). The holistic design is considered to be suitable for this study instead of an "embedded" approach. For these reasons: firstly, theoretical and empirical literature exists in the area of IHRM operating at the organisational level. Therefore, this approach is applicable for this research so as to add knowledge to the existing literature. Secondly, the aim and objectives of the study are reflected in the focus of the literature.

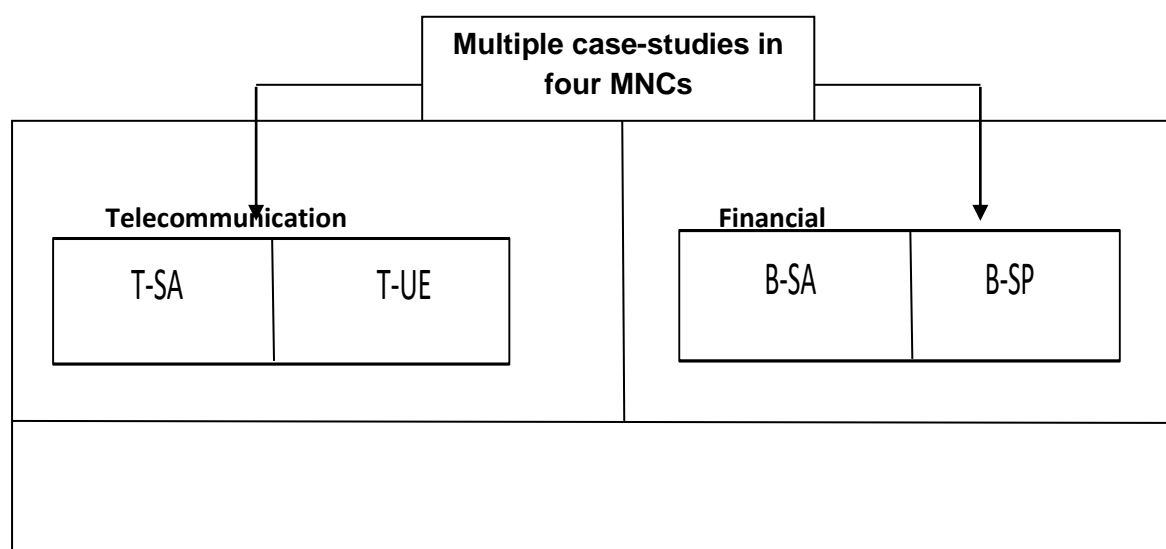


Figure 3.1: Research design for the study

In the light of the above, a multiple-case study design was chosen for this study as it allows for "iterative process of analysing within and across case data aims at producing relevant new variables and relationships as well as exploring theoretical explanations for these emerging relationships" (Yin, 2003: 122). Nevertheless, it could be argued that a strong basis for analysing these issues would have been provided if two or more host countries were compared; but on the other hand, as a result of time and financial limitations in conducting a single study, a single host country has been utilised to ensure an in-depth data collection and thorough analysis. Moreover, this is the first example of a qualitative

explorative study on EMNCs and HRM with the context of Nigeria. Furthermore, despite the growing number of EMNCs in developing countries, little attention is given to subsidiaries based in developing countries with respect to HRM strategies compared to developed countries (Lawler *et al.*, 1995; Arthur *et al.*, 1995; Napier and Vu, 1998; Myloni and Harzing, 2001).

Adopting a multiple-case studies approach helps to gain a deeper insight into the four case companies belonging to two sectors (see figure 3.1). In multiple-case studies, if there are similar findings across the cases, then it would be said that replication has occurred and results are stronger when more replications occur. The four cases are MNCs of two business types: telecommunication and financial. These cases are selected as they are likely to provide some rich data given their disparity. If the findings differ amongst the cases after the analysis is done, this would represent theoretical replication (Yin, 1994, 2003; Blumberg *et al.*, 2008).

3.5 Evaluating the Quality of the Case Study Design

The quality of a case study is centred on trustworthiness criteria and authenticity in its application to the findings of the study (Anney, 2014, Carson, 2001). Four criteria have been proposed by some scholars to determine the rigour of qualitative research, namely, credibility, dependability, confirmability and transferability (Lincoln and Guba, 1985).

Credibility concerns the truthfulness of the research findings (Holloway and Wheeler, 2002; Polit and Tatano Beck, 2006; Macnee and McCabe, 2008). Credibility involves conducting the research in a credible and believable manner (Lincoln and Guba, 1985, Leininger, 1994). This study will make sure to provide sufficient and elaborate description of each case company as this will have an impact on the quality of evidence on the transfer of HR practices. In order to increase credibility, three ways could be utilised: firstly, triangulation – this could be executed by acquiring data from different sources (Yin, 2003). This study deploys this as data was garnered from various sources comprising of semi-structured interviews, paper reports, and website information including earlier documentation about the company (Denzin and Lincoln, 2011). Yin put forward a second way, which is to make sure that a chain of evidence should be instituted. In analysing the data for the study, all recorded information will be properly transcribed and documented. Hence, an interview protocol is suggested by Yin (2003) and this was implemented in this study as well. Lastly, credibility is ensured by sharing the transcription with participants, hence allowing them to make

comments so as to clarify further and to provide some modifications on issues previously discussed.

Triangulation for this study is based on material within each of the four cases from four different companies which would help in providing a good understanding as to how HR practices are transferred from MNCs to their subsidiaries. Triangulation helps for a better understanding of the process of transfer of HR practices and the role of HR in facilitating transfer of HR practice. Triangulation helps to reinforce rigour as information is gathered from various sources to provide a complete picture of the area of study (Shih, 1998; Casey and Murphy 2009)

Peer debriefing is another important aspect of credibility. Some researchers support the use of an external colleague or an expert to corroborate the findings (Appleton, 1995; Burnard, 2002; Casey, 2007a). There are a number of views on this in the literature; however, Lincoln and Guba (1985) put forward that peer debriefing is likely to make the interpretation of the researcher's data more credible provided they are defined the same way by peers. For this study, two colleagues were asked to code some of the interview transcripts and they were compared with that of the researcher to see if they agreed with the data labels and how they were arrived at (Graneheim and Lundman, 2004).

Transferability is equivalent to external validity as there are some similarities in both concepts relating to how results are obtained and whether the findings from a study could be applicable beyond the existing case study (Yin, 2009). Furthermore, he added that generalisations are more analytical, and logic repetition is used and results are compared with existing literature in a qualitative research, whereas quantitative research is more statistical. According to Graneheim and Lundman (2004), transferability is enhanced with the presentation of rich data of research findings. Transferability in quantitative research entails that results can be generalised; whereas, in the qualitative research, it is not about testing propositions from theories that exist but it is about creating new theoretical concepts (Kelle *et al.*, 1995). This research would help in gaining insight and a comprehensive understanding of the phenomena which cannot be explored using statistical means (Carson *et al.*, 2001); above all, the intent of this study is not to test theory.

Nevertheless, providing a detailed description of the research process for this study could help readers decide if the findings of my study could be applicable in another context; this would make possible the transferability of this study (Lincoln and Guba, 1985; Curtin and Fossey, 2007). Generalisability has been an issue of concern in theory building research.

This study would be contributing to existing theory in the area being investigated: the transfer of HR practices. This would be facilitated through analytical generalisation (Smaling, 2003). Hence, the findings from this research would contribute to existing theory. Therefore, this study adopts a multiple-case study approach using a holistic design and existing theory on the transfer of HR practices, which will aid in comparing findings from the four different cases. This means that there is more than one case to support a theory; thereby, replication occurs (Yin, 2009).

Dependability test is related to reliability of the positivists. This test is quite familiar to most people and the aim of this test is to be certain that if subsequently another investigator repeats the study it would produce results that are similar (Yin, 2009). It is also about how stable the findings are over time (Bitsch, 2005). Dependability consists of the evaluation of findings, data interpretation and conclusions drawn from the study to ascertain that they are sustained by data garnered from interviewees during the study (Cohen *et al.*, 2011; Tobin and Begley, 2004). In enhancing dependability, scholars suggest an audit trail, a code-recode strategy, stepwise replication, triangulation and peer debriefing should be used to establish dependability (Ary *et al.*, 2010; Chilisa and Preece, 2005; Krefting, 1991; Schwandt *et al.*, 2007 in Anney, 2014).

An audit trail should be provided by the investigators detailing how data was collected; the conclusion drawn is cross-checked with colleagues and participants and how coding was done using coding checks. This generally accounts for how research decisions were made and activities to illustrate the process of data collection, recording and analysis (Bowen, 2009). Stepwise procedure is a procedure where more than two researchers evaluate the same data separately and results are compared (Chilisa and Preece, 2005). A code-recode strategy allows multiple observations to be made to ensure that an agreement is reached in the coding and the peer debriefing allows the neutral colleagues to provide their views on the findings of the research (Anney, 2014).

Confirmability is the extent to which other researchers could confirm an investigation (Baxter and Eyles, 1997). This is also about “establishing that data and interpretations of the findings are not figments of the inquirer’s imagination, but are clearly derived from the data” (Tobin and Begley, 2004: 392). During the process of this study, points where vital decisions were made and discussion on data interpretation was supervised closely by the supervisors who were part of the auditing process throughout the research period. The coding done for the themes were compared using an inter-rater check (Ary *et al.*, 2010) conducted by the

researcher and the supervisor. In addition to this, a reflective journal was kept and this further enhanced the quality of the research, keeping track of the processes.

In addition, Yin (2003) put forward four standards for evaluating the quality of case study research: construct validity, external and internal validity and reliability. Table 3.2 explains the four areas and how they apply to the study.

Table 3.3 Case study tactics for different design criteria

Tests	Case study tactics	General application	Study application
Construct validity	<ul style="list-style-type: none"> • Use of multiple sources • Establish chain of evidence • Have key informants review draft case study report 	<ul style="list-style-type: none"> • Data collection • Data collection • Report documentation and analysis of data 	<ul style="list-style-type: none"> • The use of multiple interviews, company websites and documentation (reports)
Internal validity	<ul style="list-style-type: none"> • Do pattern matching • Do explanation building • Address rival explanations 	<ul style="list-style-type: none"> • Data analysis • Data analysis • Data analysis 	<ul style="list-style-type: none"> • Use cross-case analysis
External validity	<ul style="list-style-type: none"> • Replication logic used in multiple-case analysis 	<ul style="list-style-type: none"> • Research design 	<ul style="list-style-type: none"> • Multiple case-study research was chosen instead of a single-case study
Reliability	<ul style="list-style-type: none"> • Use case study protocol • Develop case study database 	<ul style="list-style-type: none"> • Data collection • Data collection 	<ul style="list-style-type: none"> • Apply interview protocol

Source: Yin (2009)

Construct validity could be challenging in the current study's design and this kind of validity has been greatly criticised on the grounds of an insufficient "operational set of measures" and that "subjective" judgements are applied in the collection of data (Yin, 2009: 41). However, this study will make sure to establish the operational set of measures are correct; in so doing, four research issues are highlighted. In order to increase construct validity, three ways could be utilised: (As discussed earlier). Through this, triangulation is achieved – this could be executed by acquiring data from different sources (Yin, 2003). This study deploys this as data was garnered from various sources comprising of semi-structured interviews, paper reports, and website information including earlier documentation about the company (Denzin and Lincoln, 2011).

Internal validity is defined, according to Miles and Hubberman (1994), as the degree of reliability and accuracy of results. Incorrect conclusions of a causal relationship may exist in this design; however, careful identification of variables involved could help minimise this downside. Some suggestions have been put forward by Yin (2009: 43) which includes pattern matching and three others which are: “explanation building, addressing rival explanations and using logic models”. Matching patterns between data collected and literature reviewed in the analysis section would help to ascertain internal validity in conducting both within and cross-case analysis. This will help to ensure a link between the collection of data via different sources and that reliable results are attained, which will be part of the conclusions.

External validity: this is the third tactic used to ascertain if the findings from a study could be applicable beyond the existing case study (Yin, 2009). Furthermore, he added that generalisations are more analytical and logic repetition is used and results are compared with existing literature in a qualitative research, whereas quantitative research is more statistical. This study adopts a multiple case study approach. Triangulation for this study is based on material within each of the four cases from four different companies which would help in providing a good understanding as to how HR practices are transferred from MNCs to their subsidiaries. Triangulation helps for a better understanding of the process of transfer of HR practices and the role of HR in facilitating transfer of HR practice. Triangulation helps to reinforce rigour as information is gathered from various sources to provide a complete picture of the area of study (Shih, 1998; Casey and Murphy 2009).

Reliability The aim of this test is to be certain that if subsequently another investigator repeats the study it would produce results that are similar (Yin, 2009). It is recommended that a case study protocol be developed at the early phase of the research so as to ensure reliability. The case protocol enabled the collection of data and an enhanced case database. Furthermore, it is suggested that this database should be updated and easily accessible by the investigator if necessary. Data collection process documentation and the use of interview protocols tested in previous studies were the tools used in this study to attain reliability.

In the next section, the details of data collection are explained.

3.6 Data Collection

In this section, the case study and interview protocol are presented and how it was applied for this study, followed by the justification of the companies and the participants. This is followed by the data collection for this study.

3.6.1 Case Study Protocol

This is an important aspect of research design which involves the guidelines used to structure a case research (Yin, 1994; Ellinger *et al.*, 2009). This provides an outline as to how the research is conducted and the governing rules to ensure reliability and it is consistent with the multiple case study research (Yin, 2009). The following are some components as summarised by Yin (2009, 2003):

- A summary of case study plan, purpose, appropriate literature and subject matter
- Field plan, field access, information source and routine reminders
- The case study questions highlight the key protocol which reflects the main investigation that comprise of precise question which would be used by the researcher in gathering information.
- Provides a template for case study report which comprises of a format, presentation template, relevant references and document to the study.

With reference to the protocol, an introductory section is provided for the research participants; this highlights the aim and the objectives of the study, a request to participate in an interview to collect rich information on the transfer of HR practices. The interview protocol contributes in no small measure to this study as it provides strong grounds for reliability and validity. Case study questions are utilised in this study and questions are drawn from the objectives of this study

3.6.2 Criteria for selecting the industry/companies

According to the McKinsey company report (2014), Nigeria is the 26th largest economy in Africa. Previously, Nigeria was highly dependent on the oil sector which has contributed significantly to the GDP of Nigeria. One of the greatest misconceptions held about Nigeria especially by those outside of Nigeria is that the oil and gas sector is more dominant and is the crux of the growth of the nation's economy (McKinsey, 2014). The rebasing exercise conducted by National Bureau of Statistics (NBS) and supervised by the World Bank, IMF

and ADB revealed that the natural resources sector only contributes a smaller share of the economy (McKinsey, 2014).

In this study, a total of four companies were selected from two sectors: telecommunication and banking, and it is noteworthy to mention that all four companies are from different emerging countries. The first two companies are from the financial sector. The Nigerian financial sector has undergone a number of significant changes over the past years and this has reduced the number of banks significantly from 89 to 20, which helped to increase capitalisation (Anaeto, 2016). This led to a rapid expansion of banks' private sector portfolio. This sector has attracted interest from foreign investors due to its margin and profitability. According to the Marketline (2016) report, the market value of the banking industry reached \$167.8 billion in 2014, which is about 13.3% growth of the industry. B-SA Co and B-SP Co are two banks with large market share in this industry since 2011. The market value is projected to be about \$269.4 billion, which will lead to an increase of 60.5% from 2014.

Nigeria over the past decades has become more prominent in the telecoms market in Africa and the Middle East having over 139 million subscribers in 2015 (NCC, 2016). In 2014, the penetration of mobile was about 78%, which presented an opportunity for further subscription growth (Marketline, 2016). According to the Marketline (2016) and Oxford Business Group (2015), the market volume of the telecommunication industry reached 157,378.9 thousand subscriptions in 2015 which is about 13.3% growth of the industry since 2010. The market volume is projected to be about 210 thousand subscriptions by 2020, which will lead to an increase of 33.8% from 2015. In relation to the market share, T-SA Co is a leading player in the market with a market volume of 41.2% share and the third MNC T-UE Co has a 15.6% market share (NCC, 2015; Marketline, 2016). According to the World Bank report (2014), three sectors account for 80% GDP growth of which the telecommunication industry was one of them.

1. The evidence above is provided to substantiate the selection of the case sectors. The selection of the companies was based on the criteria summarised below: Even though the employee numbers varied across all four case companies, all case companies are classified as large corporations operating in a number of countries globally.
2. Though the core of the business varied across the four case companies, the companies were amongst the leading companies in their sectors.

3. The selections of these companies was majorly because of their size and their contribution to the significant growth of the Nigerian economy, which has helped to enhance the employment rate in Nigeria (Marketline, 2015).
4. Finally, there is a lack of studies in this area within these sectors. In recent times, these sectors are beginning to get more attention.

3.6.3 Criteria for selecting the interviewees

In this study, a total of four cases were selected comprising of forty-eight (48) interviews. Just to refresh the definition of a case study; Stake (1995) refers to a case as an individual, a programme or as a part of a firm. Furthermore, he explained that this concept is difficult to define in a specific way as it is intricate. In this context four subsidiaries are considered as the unit of analysis. According to Yin (2003), if a single unit is chosen for different cases, then it is considered a holistic-multiple case design; hence, this research follows this design as it involves four cases.

Table 3.3 provides an overview of the EMNCs investigated.

Table 3.4: Cases investigated

EMNC	Nationality	Sector	Subsidiary Age	No of Staff	First Interview s	Second Interview s	Total no of Interviews
T-SA	South African	Telecom	15 years	5000	2	11	13
T-UE	Emirati	Telecom	7 years	5000	3	9	12
B-SA	South African	Financial Services	50 years	2000	2	10	12
B-SP	Singaporean	Financial Services	16 years	2000	1	10	11
							48

Source: developed for the study

To ensure confidentiality and easy reading, all the cases have been coded “T” for Telecom sector and “B” for the financial sector. “SA” for South African, “UE” for Emirati and “SP” for Singaporean.

The interviews were conducted with subsidiary managers, HR managers and line managers of the four subsidiaries who were willing to participate in the interview following introduction letters (see appendix A sent with a brief of the aim of the research).

Case Selection

Selecting cases randomly is not a preferred way, as suggested by Eisenhardt (1989), rather a focused strategy should be adopted in case selection (Patton, 1990). The cases selected for this study were based on the grounds that rich data regarding the area would be provided. The respondents were selected owing to the fact that their professional and personal experiences would be provided; also considering their position within the company. These MNCs are reputable ones from emerging countries. Moreover, the respondents added value to this research due to their background and years of experience in handling human resource issues. The respondents' profiles are summarised in table 3.4.

Table 3.5: Respondent profile

	EMNC	Gender	Position	Years of experience	Nationality
1	T-SA-N	Male	HR analyst (Expatriate)	15	South African
2	T-SA-N	Male	HR director (Regional)	10	Nigerian
3	T-SA-N	Male	HR Advisor	12	Nigerian
4	T-SA-N	Female	Financial Analyst	8	Nigerian
5	T-SA-N	Male	Branch Manager	9	Nigerian
6	T-SA-N	Male	Advertising and Media Executive	7	Nigerian
7	T-SA-N	Female	Operations Manager (Regional)	5	South African
8	T-SA-N	Male	Operations manager	8	Nigerian
9	T-SA-N	Male	Training Manager	6	Nigerian
10	T-SA-N	Female	Head of IT services	4	British
11	T-SA-N	Male	HR Generalist	6	Nigerian

12	T-UE-N	Male	Operations Manager	5	Emirati
13	T-UE-N	Female	Training Manager	6	Nigerian
14	T-UE-N	Female	Operations manager	6	Nigerian
15	T-UE-N	Female	HR Manager	5	Nigerian
16	T-UE-N	Male	Financial Analyst	4	Emirati
17	T-UE-N	Male	Head of IT services	4	British
18	T-UE-N	Female	HR Advisor	7	Nigerian
19	T-UE-N	Male	HR director	5	Nigerian
20	T-UE-N	Female	HR analyst	6	Nigerian
21	B-SA-N	Female	HR manager	6	Nigerian
22	B-SA-N	Male	Branch Manager	7	Nigerian
23	B-SA-N	Male	Financial Analyst	9	South African
24	B-SA-N	Female	HR Advisor	6	Nigerian
25	B-SA-N	Female	HR Grievance/Compliance officer	9	Nigerian
26	B-SA-N	Male	Financial Controller	6	Nigerian
27	B-SA-N	Female	Regional Manager	8	British
28	B-SA-N	Female	HR Generalist	7	Nigerian
29	B-SA-N	Male	Operations Manager	5	Nigerian
30	B-SA-N	Female	Head of Operations/IT	4	South African

31	B-SP-N	Male	Regional manager	10	British
32	B-SP-N	Female	HR Generalist	6	Nigerian
33	B-SP-N	Male	Regional Financial Controller	8	Singaporean
34	B-SP-N	Female	HR Manager	10	Nigerian
35	B-SP-N	Male	Operations Manager	6	Indian
33	B-SP-N	Female	HR Advisor	6	Nigerian
37	B-SP-N	Male	Head of Operations/IT	10	British
38	B-SP-N	Male	Financial Controller	8	Nigerian
39	B-SP-N	Female	Branch manager	7	Nigerian
40	B-SP-N	Male	HR Analyst	5	Nigerian

Source: developed for the study

Certain criteria were followed in selecting the cases in order to ensure the success of this research.

First of all, the MNCs selected are all from emerging countries. This is due to the focus of this research on multinationals from emerging countries which is part of the significance of this study.

Secondly, semi-structured interviews were conducted with subsidiary managers, HR managers, line managers and other managers in the top management positions as they would be more aware of the issues of the transferability of HRM policies and practices and the process of transfer.

Thirdly, there were issues of accessibility. It is usually an uphill task to assess companies in developing countries. Ghauri (1992) also noted that it could be difficult to negotiate access and even moving on to identify suitable respondents who would provide useful information regarding the area of study. This is crucial in case selection. In order to overcome this challenge, prior contact had to be established via LinkedIn, friends, colleagues and relatives so as to provide access to the EMNCs and to make data collection possible.

Interviews conducted

Earlier on, it was noted that a total of 48 interviews were conducted in the four MNCs studied. It is also noteworthy to mention that after the first series of interviews, the second series was conducted in the same companies. After the pilot interviews, the interview questions were revised to include additional questions to help exhaust the themes.

The second series of interviews conducted, for which additional respondents were interviewed, was done to ensure validity (see details in the following section). However, there has always been a debate around the issue of how many interviews are enough. Ritchie *et al.* (2003) explained that gathering more data does not necessarily provide more information; they explained that the reason for this is that an occurrence in a data set or code is an important aspect of an analysis. Manson (2010) also added that in qualitative research, the frequency of an occurrence is least important as a single occurrence in a data set could be useful in providing a better understanding of the development of the study. On the contrary, Morse (1995) noted that some studies claim to have reached saturation limits but are unable to prove this. In conclusion, some researchers suggest that a least number of fifteen samples should be achieved for all qualitative research (Bertaux, 1981; Guest *et al.*, 2006). Although these numbers are suggested, this claim has no empirical backing.

3.7 Procedure for Data Collection

In this section, the sources of the data collected and the interview protocol would be discussed.

3.7.1 Sources of data collected

This study utilised semi-structured in-depth interviews, paper reports, and website information including earlier documentation about the company. Most of the data came from interviews conducted with subsidiary managers, HR managers, line managers and other managers in the top management positions in the Nigerian subsidiaries being studied. Several internal reports and documents which further threw more light on the company values, HRM policies, employee handbook and the likes were afforded the researcher. The researcher was also allowed the privilege of previewing some confidential materials. Furthermore, company websites and documents were sourced in order to better understand the institutional environment. Other relevant documents were accessed from varied sources in order to understand policies and regulation of various concerned bodies. This was the most important source of data as valuable information was provided regarding the different

themes and research question. Notwithstanding, Yin also pointed out that documentation could take different shapes and data collection plans should be unambiguous. These forms could include: internal records, newspaper articles, minutes of meeting, newsletters, proposals, reports of past events etc. All these are useful sources of information in case studies; however, absolute reliance on these sources has been strongly criticised. Yin (2009) further elucidates that documents are written for specific reasons which might differ from the objectives of the research. Whilst undertaking this research, numerous internal documents were accessed including the company's website but were not included in the appendices due to the anonymity of this research.

According to Yin (2009), physical artefacts could also be a source of data collection. This is referred to as an instrument or a tool which could include art works or other physical materials. This research considered company brochures, fliers, billboards and other materials given during the visit. Just to recall, a big suggestion box was placed (by the company not as part of the research) close to the offices where employees could anonymously drop their feedback regarding the violation of conduct.

In this study, archival records were also used; old company reports and policies, surveys, and old internal emails containing messages passed on in-house. These information sources were shown to the researcher but she was not allowed to take them away.

In summary, various sources were used in this study to increase the quality of the research, as put forward by some researchers. Sourcing from varied sources established data triangulation "to neutralise possible mistakes and misunderstandings inherent in a single research method" (Yin, 2003: 45). Collection of data from varied sources through data triangulation has enhanced validity (Yin, 1994).

Table 3.6: Data sources

Data source	Details	Study application	Limitations
Interviews	In-depth interviews, Semi-structured	Interview case protocol was developed for this study with some reference to previous studies in this area	Interviewees anonymity
Documentation	Important documents which were important to this study were consulted	Billboards, company's articles and newsletter (Web-based), strategy reports and other materials given during the visit	Confidential documents so could not be included.
Physical artefacts	Physical items	company brochure, fliers, suggestion box	Not used in all case studies
Archival records	Stored away electronically	Old company reports and policies, surveys, old internal emails containing messages passed on in house	Confidential documents so could not be included.

Source: Developed for this study

3.7.2 Case study protocol

There are various aspects included in a case study protocol: interview protocol, processes and the overall guidelines (Yin, 2009). A vital element of a case study protocol is the interview protocol and this has been used to answer the four research questions and expedite the analysis.

There is a direct involvement of the interviewer and interviewee in dialogue either physically (in person) or via the telephone. It is also worthwhile to elucidate the importance of the semi-structure interview as it has been used successfully in so many studies and is appropriate for use in this study (Bowling, 2009). This type of interview avails the researcher the opportunity of inquiring after more explanation from the interviewees, especially when an interpretivist approach is being adopted, where it is important to understand how the participants attribute meanings to certain phenomena (Robson, 2002; Saunders *et al.*, 2012). This is in line with the aim of this research, which seeks to understand the transfer of practices from EMNCs to their subsidiaries in Nigeria. However, face-to face interview is time-consuming and expensive, but this is rewarded hugely by the reliability of data in contrast to mail survey (Anderson *et al.*, 2001). Furthermore, interviews were considered as the depth of data is more important than the vastness of it. In studying the process of transfer under different themes, depth of data is required from respondents to understand this clearly. Additionally, interviews provide an avenue to develop a relationship with the respondents, which would allow for honest responses, and this would create a platform where respondents could be consulted later in the future in the course of the research for further clarification. For interviews to be successful, strong interpersonal skills are required.

Figure 3.2 illustrates the process of conducting the interviews.

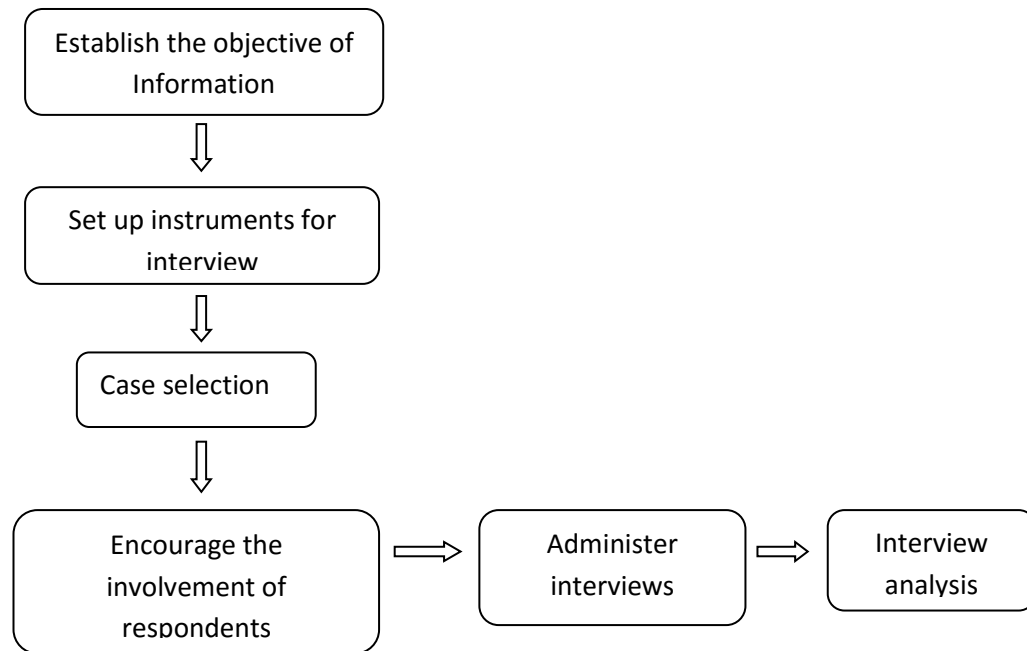


Figure 3.2: Interview Procedure

Source: Developed for the study

Firstly, it is important to understand what information was required for the study which is based on the study's objective. There are predominantly two approaches: approaching the study without an unanticipated presumption (Eisenhardt, 1989) or adapting or corroborating an operational theory (Yin, 1994). If the study is conducted without unanticipated presumption, this would lead to more open-ended conversation within an area to steer interviews. Given the approaches, many studies within the research area were reviewed prior to the interview session so that conversations would be more coherent. In the course of this study, studies within this area were reviewed for the researcher to be acquainted with prior studies; however, this study was approached without preconceived views.

Secondly, instruments for this study were developed whilst reviewing other studies successfully conducted within this area. This was a rather uphill task to fulfil as most studies rarely provided their interview schedule. This would have been useful to provide a guideline for the interviewer, so as to stay on course and serve as a basis for result comparison across different cases.

Thirdly, the cases and the respondents were selected. This was not easy as cases were limited in the area being investigated. Different search engines and databases were employed to select the case companies. It was quite challenging to find subsidiaries of MNCs from emerging countries that are operational in Nigeria and this was due to the benchmarks set for the study; such as: parent country, an existing HR department and the legal position of the subsidiary.

In this research, the choice of the MNCs was based on the benchmark set, as mentioned previously, and also how accessible they were. In order to facilitate access to respondents, previous contacts were established via social media and were followed up via personal contacts including colleagues, family and friends. Respondents were contacted personally through introductory emails and phone calls to ascertain their willingness to be a part of the study and understand their level of knowledge. Also, an introductory letter from the university was provided to enhance the credibility of the researcher; alongside this letter was a confidentiality letter also attached.

In administering the interview, it was important for the interviewer to be familiar with the interview schedule so that it is not referred to constantly in the course of the interview. The interview environs must be conducive enough so the respondent is comfortable during the interview. Most respondents are not comfortable with tape recording; however, this has to be done for the sake of the study so that responses are transcribed and collated later. The interview begins with exchanging pleasantries and giving a brief synopsis of what the study is about and its importance. A reassurance of confidentiality is suitable at this point; also the respondent is told that a copy of the interview would be provided after transcription. All interviews were conducted in English so as to ensure language uniformity and to avoid pitfalls resulting from translation.

Eventually, an interview analysis was conducted. Hand-written notes were taken as soon as the interview was concluded so that observations and thoughts were not forgotten. Also, some answers were recorded in spread sheets as this would help in a comparative analysis. Yin (1994) also put forward the view that every interview is kept in a database for cases and this consists of the transcript, notes taken, company documentation and so on; this is to ensure consistency internally, bearing in mind the respondent's position and responsibilities. A comparison could be made on the responses of the respondent with published reports and articles written on the organisation. In some cases, unexpected responses may exist. A column should be provided for these unexpected responses in the coding sheet.

The interview schedule begins, in part A, by asking some general questions that would provide personal information about the interviewee; these questions relate to their nationality, interviewee's position and grade, duration in the current position/company, duration in relevant profession (both in Nigeria and elsewhere), academic background and the number of people they managed.

The second part provides an overview of the EMNC. This includes the vision, mission, location, size and their business strategy.

In part B, information regarding the business and HR strategy of the subsidiary was gathered. Questions about the size, structure, business strategy, HR department activities and function, how HR policies are set, other functional departments related to HR and communication process with the HQ were asked. This was to understand the nature of the HRM in the subsidiary and the role of HR. Furthermore, data was collected from a wide range of issues: recruitment and selection, compensation, training and development, performance management, allocating HR responsibilities between the different levels of management and workforce communication technique.

Parts C and D of the interview schedule are aimed at analysing the process of integration of HRM knowledge, policies and practices into their subsidiaries in Nigeria. Questions concerned the structure of the parent company, decision making process, parent–subsidiary relationship, methods of communication, place of subsidiary managers in decision making, extent of subsidiary dependence on PC and control/coordination strategies of the PC.

Part E evaluates the factors that may have influenced the transfer of HRM in the EMNCs' subsidiaries. Views on host country effects were explored; within this, the views of local formal and informal institutions were investigated. This would provide useful information regarding the extent of convergence or divergence of HR policies and practices in the Nigerian subsidiaries.

The last part examined the role of the HR department in the process of transfer and integration of HR policies and practices.

In table 3.6, it is noteworthy that the different sections noted were related to the research question. These questions put together provide insight to the research as a whole. Questions when looked at independently may not relate to the research problem. The questions were asked to obtain the necessary data from all the sources in order to satisfy the objectives of the study outlined in chapter one. From a methodological perspective, the

questions outlined fit with the literature review, objectives and the methods chosen to seek out the data to satisfy the objective of the study.

Table 3.7 Research questions in interview schedule

Research questions	Questions in the interview schedule
To what degree do HRM practices of the subsidiary resemble that of the parent company and the host country practices?	Parts A and B
What is the process of the transfer of HR practices into the subsidiary and what mechanisms are used?	Parts C and D
What are the influencing factors in the transfer of HR practices?	Part E
What is the role of the subsidiary HR in the transfer of HR policies and practices?	Parts B and F

Source: Developed for the study

3.8 Data Analysis

The data gathered from the case companies were used to investigate and evaluate the research question under the four main themes (Yin, 2009; Miles and Hubberman, 1994). The validity of a qualitative study is improved via effective data analysis (Yin, 2009).

Interviews were kept safe with notes to help ensure that data were well structured. The pilot interviews, together with the transcripts and reference, were made available to them several times in the course of analyzing the data. In this study, two forms of analysis were used (within-case and cross-case analysis) (Yin, 2009; Saunders *et al.*, 2009). Within-case analysis makes analysis whilst comparing and searching for patterns within a case (one subsidiary). This sheds light on the HR practices that are transferred to a particular subsidiary. The latter, cross-case analysis makes a comparison of the data collected across the four different subsidiaries so as to establish if there are differences or similarities amongst them. It tries to find out if these subsidiaries are in any way utilising the same IHRM approach and if any of the HRM practices are localised or integrated.

Data was collected separately from four different companies. The interviews conducted provided a rich text, which was organised and prepared for analysis. This involved transcription of interviews, sorting and arrangement of data based on the company. An

overall impression of the participants' ideas was gained by reading through the text. It is imperative that data is analysed in a systematic manner to yield better outcomes.

According to Attride-Sterling (2001), it is crucial that a systematic approach is undertaken while analysing data, in order to produce credible outcomes. Consequently, methodical procedure for qualitative transcript-based data analysis was conducted, which involved the iterative stage process highlighted by Turner (1981). This process is similar to the stage process suggested by Bonoma (1985). This process provides a comprehensive definition and overall boundaries of major constructs as it identifies and explores the relationships between these constructs. This method involved both comparative (Martin and Turner, 1986) and inductive reasoning processes (Lincoln and Guba, 1986).

Miles and Huberman's (1994) framework for qualitative data analysis was implemented. This framework involved three processes that are interlinked, namely:

- 1) Data reduction

This is a process involving reduction of the data collected to a manageable size and organised, for instance, by writing summaries, elimination of inconsequential information.

- 2) Data display

This involves the first and second levels of coding. At this stage, data could be presented in different forms, which provides an opportunity to extrapolate some systematic patterns and interrelationships based on the data.

- 3) Conclusion drawing and verification

At this stage of the analysis, study conclusions are developed and previous conclusions are verified by making reference to further data (Grinnell and Unrau, 2011; Miles and Huberman, 1994).

Punch (2006) suggest that the data reduction and data display are dependent on the process of the coding and memo writing; and these major processes are important for the smooth implementation of the analysis.

The process of analysis begins with coding. Rossman and Rallis (2012) suggest that coding involves the arrangement of raw data by bracketing chunks (or text) and words representing a segment in the margins.

I implemented three stages of coding, which are coding, pattern codes and memoing. A coding list was developed based on research questions and the conceptual framework of research work (Attride-Sterling, 2001). This is referred to as “inductive coding” (Ryan and Bernard, 2010).

While re-examining the data, codes were revised, and in the process; some codes emerged as new codes, some codes did not align to any category, while some codes were highlighted once the category had other codes (Miles and Huberman, 1994), which allows drawing a codebook of the data (appendix B).

In this research, the first stage of coding was implemented following a review and organisation of data into manageable size by highlighting relevant ideas. This involved recognising meaningful sets of one word, incomplete or complete sentences and a paragraph. However, the identified meaningful sets could be changed after the first review. During the thematic coding, revision of data led to the development of an organised list of codes which had more meaning and was more fundamental.

Meaningful units were tentatively grouped into specific segments according to the unique codes created for their categories, which were based on their similarities with or differences from the others; that is, if the first two meaning units have related qualities. Furthermore, differences in the highlighted qualities of the first two meaning units resulted in the creation of a different category if it differed, a third category and code were created. This process was repeated to access the remaining meaning units (Burnard, 1994; Maykut and Morehouse, 1994).

The research questions were the basis for the creation of the categories and they reflected the crucial parts of the participants’ narratives. This led to the enlargement of the categories as soon as a different meaningful unit compared to the existing ones was identified. Unclassified meaning units and complex ones that were not placed in any category were set apart but were examined during the reassessment of all the categories with the intention of placing them in a new category based on the similarities of their qualities (Grinnell and Unrau, 2011).

Furthermore, codes were allocated to the categories and were written on the margin beside the meaning units. Thus, the codes were longer and the data analysis was more complicated (Miles and Huberman, 1994).

I looked through the data to certify that analysis is a reflection of the information provided by the participants and to avoid unanticipated error, which may ensue at the end of the analysis. Furthermore, I reassessed my thoughts by clarifying and ratifying the basis for placing each meaning unit into specific categories. This assessment was done for all the categories (Grinnell and Unrau, 2011). In order to be sure my approach was correct, I requested my supervisor to code three interviews while a colleague coded two interviews (Miles and Huberman, 1994). My interview of new participants did not result in new categories and the meaning units fit into my present classification structure.

At this stage, the first-level coding termed “category saturation” (Glaser and Strauss, 1967; Strauss and Corbin, 1998) was concluded.

Initial codes were formed using memoing, which was important for organising and recording my thoughts and some of the ideas I got from the process, which are important for the conceptual stage of the analysis (Birks *et al.*, 2008; Punch, 2006). Polit and Beck (2006) are of the view that the use of a memo is crucial for recording and preserving thoughts and ideas that may seem irrelevant at first but may be needed later on.

I implemented “conceptually ordered display”, which involved using a conceptually clustered matrix for *building display* and *drawing conclusions* by reading across the rows and down the columns. I created a display layout that (a) showed all the useful responses of the key participants and document extract on a sheet, (b) gave room for comparing participants’ responses, (c) was helpful for further data analysis, (d) simple for cross-case analysis, and (e) specified the initial standardisation. This led to having a sheet that contains all the participants and responses to the same codes from both documents and interviews (Miles and Huberman, 1994: 128).

The next step involved inputting of data from the coded categories linked to the research questions and interviews. This was done using the cutting-and-pasting method (Grinnell and Unrau, 2011). In order to prevent any loss of extra notes that emerged from the responses, which were relevant for drawing conclusions, there was a need to make an additional column in each matrix.

The next step involved *drawing of conclusions by* perusing across both the rows and down the columns of the matrix so as to compare and contrast between respondents using the contrast and comparison techniques, which resulted in drawing more conclusions from the variable matrices.

After analysing each case separately, cross-case analysis for the multiple cases was implemented. This was done by implementing a mixed strategy (Miles and Huberman, 1994), which involved a combination or integration of case- and variable-oriented approaches.

I used the “staking comparable cases” approach by generating the results in each case so as to compare them across the three cases adopted. Consequently, I arranged the case-level displays in a meta-matrix, which provide further systematic comparison; I was able to write up each of the four cases that utilised a standard set of themes (Miles and Huberman, 1994: 176).

Reporting of the case studies was the last step taken in data analysis. There are four approaches for writing the report (Yin, 2009), namely: 1) the classic single case study (this involves the use of a single narrative to describe and analyse the case; 2) the multiple-case studies version of the classic single case, with multiple narratives covering each case; 3) the multiple-case studies without separate chapters or sections allocated to the individual case; 4) a multiple or single-case study, with a classic narrative. Consequently, I implemented the multiple-case with a classic single case, containing multiple narratives covering each of the cases individually and detailing the cross-case analysis with the results (Yin, 2009).

3.9 Ethical Consideration for Research

The main concern of this research was to ensure that it was carried out in an ethical manner. It is important for researchers to follow the laid-down guiding principles of the university's professional ethical body. Consequently, ethical consideration for the participants, especially confidentiality, consent and non-disclosure must be considered (Wood and Ross-Keer, 2010; Illing, 2010). The ethical approval was obtained from the ethics committee of the University of Bedfordshire. The participants were assured of data protection and non-disclosure of persons or company; this made access less challenging. In the course of negotiating access, it was important to prepare necessary paper work for ethical approval as this was presented to participants once access was established.

Also, consent was obtained from the participants via the letter of consent presented to them, which detailed the aim of the study, the duration and the nature of the data collection. The letter also highlighted to the participants why they have been selected for the study, also mentioning that it was voluntary and they could withdraw at any point within the process. The participants were also informed that they could review the scripts after transcription before the analysis and that their contact details were required for further consultation, if need be.

The participants were told that the data provided would be used to write up the PhD thesis and findings published in academic articles.

All interviews were conducted at the participant's convenience and within the office buildings of the companies; for some of the respondents who were not comfortable with the idea of being interviewed within the office complex, they were allowed to choose another venue suitable to conduct the interview. The signed consent was one of the strategies used to boost the confidence of the respondents that the information provided would not be used against them and that their wellbeing is being considered. This was to ensure that participants were not under any pressure whatsoever. All names of participants and companies were kept anonymous and this was duly explained before the interview commenced. The data generated in the course of this study was kept securely in an electronic version. All the electronic data were saved in a password-protected laptop provided by the university, which was not accessible to anyone else.

3.9.1 Challenges of Research Ethics in the Nigerian Context

In this section, the challenges encountered in the course of data collection are detailed. There were so many challenges encountered within Nigeria in the course of collecting data and it is important to highlight these challenges as this would be helpful for future researchers.

At the start of this research, having a letter from the University backed up with the ethical approval, I felt that it would have been so easy for me to gather data, but considering the unique context of Nigeria and it being a "man's world", it was so challenging.

One of the problems encountered was especially with some of the Nigerian top management staff. Getting them to keep appointments was an uphill task and this resulted to rescheduling many meetings and interviews. For example, on one occasion I went to Italy just to conduct a single interview. On some occasions, passes were made at me by some of these managers asking to take me out etc. On some occasions I made calls following a schedule for a meeting only to hear a voice mail and any attempt to reach them via their secretaries proved futile; managing these situations was quite a challenging situation and in spite of various attempts, I was not deterred from accomplishing my goal. In order to deal with this I attended high profiled seminars before interviews were granted.

Another issue encountered is the impression they had that I had all the money in the world and I had to "grease their palms", meaning I had to give them some money in order to

secure an interview and it was so difficult to deal with this issue; I had to go through some gatekeepers in order to gain access to the interviewees.

3.10 Conclusion

This chapter has outlined the methodology that was employed, namely a qualitative approach, with semi-structured interviews for collecting data. Furthermore, justification was provided stating reasons why cases were selected and also for the approach considered in this research. The methodology approach satisfies the objectives of the study, in order to obtain data which is of sufficient quality to complete the study

The following chapter presents the description of the case companies.

CHAPTER FOUR: T-SA CO

4.1 Introduction

Chapter four describes the first case study, which relates to the telecommunications company T-SA-Co (T-SA). The findings of the case are reported by firstly, providing information about the profiles of the parent company and the Nigerian subsidiary. This is followed by outlining the structure and role of the subsidiary's HR, reported in three main sections: the profile of the company; selected HRM practices applied in Nigeria including: recruitment and selection, compensation and benefits, training and development, performance appraisal and employee communication and consultation. Following this is the process of transfer from the PC to the HC and the role of HR. Finally, the conclusion ties up all the key points that emerge from the case study.

4.2 Company Profile

This section provides brief background information about the parent company and the Nigerian subsidiary. Then it moves to describing the parent company's approach to the management of its subsidiaries across borders.

The Parent Company

The parent company is a leading South African telecommunication MNC with 26,800 employees globally. They started their operations globally in 1994 with subscribers in some 22 countries in Africa, Europe and Middle East regions with their headquarters in Johannesburg, South Africa (SA). T-SA is listed on the Johannesburg Stock Exchange (JSE) and their share is one of the biggest primary listings on the stock exchange. The HQ has a subscriber base of about 25 million with over 3.8 million smartphones registered to the network in 2012.

Globally, T-SA has followed an international growth strategy through a number of acquisitions, mergers and 100% takeovers (www.bloomberg.com). T-SA adopts a matrix structure which combines the advantages of area and product structure. The strategy of the company is built around five major areas: value management and creation; sharing best practice and innovation; generate a unique customer experience; maintain sustainable growth; and transformation of operating model.

The primary services offered by the company comprise of data and voice services; and information and communication technology (ICT) services. The data services consist of

mobile messaging, mobile money, fixed and mobile data services etc; the voice services comprise of international roaming and airtime top-ups, traditional voice services, teleconferencing, and pre/post-paid airtime; and the ICT services include satellite connectivity, cloud computing, video conferencing and satellite connectivity.

The company has 15 persons on their board of directors consisting mainly of South Africans. They also have 9 executives, as described in table 4.1.

Table 4.1: T-SA Composition of the board of directors

Board of Directors				Executives			
	Nationality	Educational Background	Experience		Nationality	Educational Background	Experience
Executive Chairman *	South African	BSc (Civil Eng), MBA (UK)	T-SA Co Pembani Group Ltd BP Plc Strategic leadership and finance	Executive Chairman *	South African	BSc (Civil Eng), MBA (UK)	T-SA Co Pembani Group Ltd BP Plc Strategic leadership and finance.
Executive director, Group chief financial officer	South African	BCom, BCompt (Hons), CA (SA)	T-SA Co Accounting, finance and operations	Chief operating officer	South African	BA (Hons), BCom	Telkom SA Executive position T-SA Co
Independent non-executive director	British	BA (Hons)	T-SA Co Azuri Technologies Ltd Gigabit Fibre Ltd. General business and telecommunications	Chief legal counsel	South African	BProc, Advanced Tax Certificate	VP-Gold Fields Ltd
Independent non-executive director	South African	BCom (Law) (Hons) Economics, Senior Executive Management Programme (UK)	T-SA Co Orwell Energy Petmin Mining Economics and the energy sector	Chief financial officer	British	BCom, BCompt (Hons), CA (SA)	MD Altech Cellular Partner at Webber Wentzel Bowens- a Law firm T-SA Co since 2002

Independent non-executive director	American	BSc MSc PhD (UK)	T-SA Co Coriant International Group Business leadership and business operations, engineering and information technology	Vice president (Middle East and North Africa-MENA)	Syrian	BA, Executive Education Certificate	Telecommunication T-SA Co
Independent non-executive director	South African	FCCA	T-SA Co Remgro Ltd Sappi Ltd RCL Group, Eqstra Holdings Ltd Ethos Private Equity Ltd Accounting, banking and finance	CEO: T-SA Co Nigeria	South African	BCom, BCompt (Hons), Theory of Accounting Dip, CA (SA)	PricewaterhouseCoopers Joined T-SA Co as a consultant in 2003
Independent non-executive director	South African	BCom (Acc), Dip MBA (UK) Executive Leadership Development Programme	T-SA Co Santam Ltd The S. African Post Office Development Bank of South Africa	Chief human resources and corporate affairs officer	South African	MA (Psych), MBA (UK)	T-SA Co since 1997
Non-executive director	Lebanese	BSc	T-SA Co International Telecommunications company General business and telecommunications	CEO: T-SA Co South Africa	South African	BSc (Eng), Yale World Fellow	GM Microsoft Middle East and Africa Microsoft SA IBM T-SA Co
Independent non-executive director	South African	BCom, BCompt (Hons), CA (SA)	T-SA Co Held some directorship positions in a number of companies previously. General finance and tax	Vice president (West and Central Africa)	Cameroonian	BSc (Elec Eng), MSc (Comm Systems)	Airtel Nigeria T-SA Co

Independent Non-Executive Director	South African	Bcompt, Bcompt (Hons), CA (SA), Senior Executive Programme	Anglo Gold Ashanti Ltd Lafarge Deputy Chair Of The Financial Reporting Standards Council Of South Africa Accounting, finance and general management
Non-Executive Director	South African	Mcom (Acc), CA (SA)	T-SA Co Held some directorship positions in a number of companies previously. General Business, Accounting And Taxation
Lead Independent Non-Executive Director	South African	Bcom, CA (SA), MBA	T-Sa Co Trustee Of Standard Bank Group General business, accounting and finance
Independent Non-Executive Director	South African	Bcom, Bcompt (Hons), CA (SA)	T-Sa Co Uranus Group Pick n Pay Stores and Holdings Ltd Exxaro Resources Ltd. Accounting and finance
Executive Director, Group President And CEO	South African	Bsc (Eng), MBA	N/A

Independent Non- Executive Director	South African	Bsc Hons (Mathematics), MA (Mathematics), MBA	N/A
--	----------------------	--	------------

Source: Developed for the study

The Nigerian Subsidiary

T-SA-N Co entered the Nigerian market in 2001 by acquiring two national licences (GSM 900 and GSM 1800); in the same year, they acquired another company which is a tier one internet service provider and renamed the company. Currently, 75.81% share of the Nigerian subsidiary is owned by the parent company, 18.7% owned by shareholders in Nigeria, and 2.7% and 2.7% owned by two independent businesses in Nigeria. According to the IMF report in 2008 and the interviews from the managers, this subsidiary is very important to the HQ as it is the biggest subsidiary in the group and they currently provide services in the 36 states of the country, including rural areas with over 55 million subscribers out of 210 million subscribers offered by the group across 22 countries. As at 2015, the Nigerian subsidiary had the highest number of subscribers and revenue in comparison to other subsidiaries and the HQ (company website).

4.3 Headquarters–Subsidiary Relationship

The HQ implements a moderately flexible approach towards subsidiary HR management in which standardisation is maintained with regard to some core HRM policies with some adaptation in some other areas depending on the local needs of the host countries. Therefore, the company insists that subsidiaries across different borders comply with parent company policies, which need to remain the same especially in these core areas performance appraisal system, training and development, career management and communication. However, some of the practices that may be adapted include: recruitment and selection, and compensation and benefits. The adaptation stems from HQ acknowledgement that a country's environment must be taken into consideration due to differences in the culture and institutions in different countries and also the uniqueness of some industries as well. Notwithstanding, there are core policies that cannot be adapted as these are core values and the company does not change them so that irregularities are minimised across borders. In relation to this, (2, T-SA-N) and (1, T-SA-N), respectively observed that:

“Every country has a unique environment which could affect the operations of the company... this is being taken into consideration; however, there are core policies that would not be changed as they are the core of the business and changing the core values will lead to inconsistency with the parent companies policies” (2, T-SA-N)

In line with this, an expatriate HR analyst explained that:

“What each subsidiary does has to be in line with what is done at our HQ... of course every country has got unique differences as I have experienced in carrying out my duties in some countries I have been to outside the HQ; however there are policies that we cannot afford to compromise the standard as this has to be in line with our organisational culture”. (1, T-SA-N)

According to expatriate HR analyst, the EMNC's approach towards subsidiary management is fairly centralised and a variation of mechanisms is used, one of which is the organisational culture. In order to ascertain the organisation's performance vis-à-vis the market globally, an organisational survey is administered anonymously and all healthy key indicators are included to measure T-SA's culture. There are strict boundaries in terms of the budget system of the company and how they are required to manage their financial system. This is discussed in more details under the remuneration section.

There are some areas where the HQ puts some restrictions on the subsidiary to making decisions unilaterally. For example, the branch manager noted that:

“There are also areas where the HQ decision are non-negotiable. For example, in the area of technology... IT decisions and even deciding on which equipment to use or buy is solely the responsibility of the HQ as they understand the business better” (5, T-SA-N)

In relation to decision making, the balance of decision making varies on a number of issues as seen in table 4.2. On a number of issues as highlighted, the HQ was consulted and their advice sought, and when this is the case, the decision primarily rests with the HQ.

Table 4.2: Balance of decision making responsibility

Operating budget	A
Capital investment	B
Union recognition	A
Recruitment of managerial staff	C
Design of payment system	D
Pension	D
Fringe benefit	D
Salary / Wage increase	C
Numbers employed/increasing the workforce	C
Negotiation or determination structures for consulting and involving employees of an annual pay settlement	C
Terms of redundancy	D
Length of normal working week	D
Patterns of working, e.g. the use of shift work	D
Working arrangements, e.g. task flexibility or multi- skilling	D
The subcontracting of operation	C
The instigation of layoffs or redundancies	C

Note: A- Decided mainly by headquarters or regional HQ; B- Approved by parent or regional HQ; C- Consulted with or advice sought of parent or regional HQ; D- Decided mainly by the subsidiary

Overall, the parent company uses a fairly centralised approach towards management in the subsidiary, which are made to adopt certain practices transferred to the subsidiary. Even though the parent company owns the controlling share of 75.81% in Nigeria, the shareholders in Nigeria and other establishments own about 21.19%. The parent company still recognises the uniqueness of the Nigerian institutions and culture. The subsidiary still provides guidelines which are reflected in their written manual which has been designed by the local subsidiary with the permission/authorisation and certification of the parent company. This manual is designed whilst integrating the institutional elements such as some policies outlined by the Nigerian Communication Commission (NCC) so as to ensure that the subsidiary is operating within the specified guidelines. It is important to note that the subsidiary is not totally at liberty to modify the guidelines without the approval of the HQ.

The manual is available on the employees' portal and is used by all employees in all subsidiaries; employees make reference to this manual from time to time for clarification on any HR policy; also the manual documents how the process of dealing with any issue relating to employees and their well-being. This includes all policies and some of those policies include: recruitment, selection and eligibility, learning and development retention policy, dress code, safety and fire arms, code of conduct and disciplinary procedure, grievance, housing allowance, travel and entertainment, transfer, sexual harassment, compensation, performance appraisal etc; although they are tailored to individual subsidiaries bearing in mind their unique differences. Meanwhile, the company's common policies (job description, health and safety, career management, training and development and employee relations) are not tampered with. The Advertising and Media Executive noted that:

"Our outlook towards management at the regional level as I manage HR professionals in six different countries is that I am duty bound to ensure that their guidelines are consistent to a large extent with that which is stipulated by the HQ and that way we are sure that everyone is maintaining the right standard." (6, T-SA-N)

T-SA's HRM philosophy, as outlined in their company's documents, is to have high quality workforce that will ensure that the firm attains more successful heights. Learning and development is considered very important in T-SA and HR department is responsible for developing their staff as this would reflect on their performance and the level of service that they provide clients.

Overall, the parent company uses a number of control mechanisms to transfer HR practices and monitor their implementation, as shown in the next section.

Control and transmission mechanisms

T-SA has a variety of direct and indirect, formal and informal/relational control and transmission mechanisms to collect, share, exchange information, and transfer knowledge and HR practices to the Nigerian subsidiary.

Administrative/Output Control: This encompassed the impersonal and indirect control mechanisms that were used to transfer and exchange information through such mechanisms which include indirect reporting relationships, HR budgets, writing policies, guidelines and codes of conduct. More specifically, the HQ instituted a reporting system which helps to ensure that boundaries are set in the subsidiary; reports are submitted quarterly to the HQ

through the HR director who is a member of the board and has a direct relationship with the corporate HR department. Thus, the operations manager noted:

“I send in the reports quarterly to the HQ as I have the responsibility to keep them abreast with information and I have been doing this for the past 15 years that I have been in Nigeria. Communicating with the HQ has been so effective and most times they seek advice from me as I have been on ground in Nigeria for so long and I understand better how things are done here” (8, T-SA-N)

In general, the responses from the interview cards reveal that performance-related information is collected from the subsidiary by the HQ. This includes information in the areas of managerial pay, general labour costs and productivity, numbers employed, numbers of those recruited and resignations, grievances and disciplinary cases, number of training implemented, health and safety standards, workforce gender/age composition as shown in table 4.3.

Table 4.3: Balance of decision making

Movements in rates of pay	A
Negotiated pay settlement	B
Managerial pay package	A
Overall labour cost	A
Overtime working	B
Strikes and other forms of industrial action	N/A
Numbers employed	A
Numbers of resignations and numbers recruited	B
Absenteeism	B
Dismissals and disciplinary case	A
Labour productivity	A
Accidents and injuries	A
Occupational health	A
Training receive	A
Gender composition of the workforce	A
Age composition of the workforce	A
Others (specify)	

Note: A- The parent company; B- Intermediate levels; C- International divisional unit; D- Regional HQ

The HR policies are written based on the organisational culture of the organisation and this puts some restrictions on the subsidiary to making decisions unilaterally in some areas. This is seen from the responses of the expatriate HR analyst and branch manager at the subsidiary.

“With regard to the balance of decision making responsibility, decisions are taken or approved mainly by the HQ, but sometimes, the decisions are taken by the subsidiary especially in the area of recruitment with the exception of executive recruitment” (1, T-SA-N)

“There are also areas where the HQ decision are non-negotiable. For example, in the area of technology... IT decisions and even deciding on which equipment to use or buy is solely the responsibility of the HQ as they understand the business better” (5, T-SA-N)

Another indirect/impersonal control tool is the code of conduct which is standard and electronically distributed globally; this is called the ‘code’ manual and T-SA ensures that employees understand and imbibe it. Periodically, a notification is sent automatically to remind employees to go through the code again to ensure that they are up to date with it. This is compulsory for new hires: it is conducted globally online and they are tested on completion of the training.

In terms of relational control, a variety of mechanisms are utilised including the deployment of expatriate staff, routine visits by parent company staff, conferences, meetings, and telephone calls.

Expatriates are considered to be the main channel of control and transfer channel. Most of the expatriates are quite experienced and with good qualifications mostly from western universities. More expatriates are appointed to key positions, which serves as both centralisation and reflection of a high level of people-based or cultural control via communication between local and HQ personnel, socialisation creating a network through which information is shared by providing training overseas.

The staff from HQ pay routine visits to the subsidiary from time to time. Temporary transfers are also utilised. Specialists and technicians are transferred from time to time from the subsidiary to the HQ. This is to help them learn by gaining knowledge from specialised teams. On the other hand, staff from the HQ are also transferred to the subsidiaries to help train employees and to give them an opportunity to oversee a project

at a subsidiary (discussed further under training). For example, the HR generalist noted that:

“From time to time, it is the practice of the company to delegate personnel from the HQ to the subsidiary for some temporary assignment... for example, training or overseeing a project temporarily. Also, some personnel are sent to the HQ for trainings annually; when there is a major restructuring the trainings could be more frequent and lengthier annually” (11, T-SA-N).

Scheduling conferences and regular meetings are used by HQ to monitor the transfer and implementation of policies in the subsidiary. For example, regular meetings are held at the subsidiary involving all directors from different departments. Twice annually, the corporate HR director visits the Nigerian subsidiary and in the same way, the HR manager from the subsidiary visits the HQ once annually and also attends the annual meetings organised by HR for all subsidiaries globally.

“As a general manager, I have worked as part of an international team and I was responsible for financial matters and HR concerns in West Africa.... As a team, we brainstormed on local and global levels as it has to do with pay raise for different staff members on different levels and other issues as well” (5, T-SA-N)

These meetings are conducted to collect information from different departments in subsidiaries; also, it is an opportunity to circulate policies to subsidiaries on corporate policy. In addition, they are used as a bench mark with other subsidiaries and for working mutually on issues that border on career management.

Constant communication is established between the HQ and the subsidiary through phone calls and email. Therefore, the HR manager at the subsidiary makes a number of phone calls to the HQ in a week; also, meetings are held regularly especially using video conferencing. Specialists from the HQ also visit the subsidiaries and this is viewed as a type of control. For instance, the HR advisor noted that:

“The HQ has a subtle custom of sending delegates to the subsidiary to offer consultation and at the same time monitor the activities of the subsidiary, although it does not seem evident that we are controlled” (3, T-SA-N)

Overall, it seems that HR control strategies are supported by financial control in which strict boundaries are set in terms of the budget system of the company and how they were required to manage their financial system. From the interviews conducted, it was obvious

that certain decisions were made by HQ. It is important for the financial accounting and reporting to be in line with HQ specifications. Annually, the HQ liaises with the financial analyst at the subsidiary to make sure that the quarterly financial reports are sent in the right format using the established template provided by the HQ; this is in line with what is obtainable from other subsidiaries globally. The template is used to measure some indicators such as labour productivity as a performance indicator. From time to time staff visit from the HQ to audit the accounts of the subsidiary and is this in line with the policy of the HQ. In line with this, the financial analyst noted:

“The HQ feel the need to be in charge of the financial system across borders to a significant extent as this is important to them and also to ensure consistency with the other subsidiaries globally. We make it a point of duty to ensure that the subsidiaries are following a standard report system and the responsibility is on the financial analyst from the HQ to make sure that this is imbibed; this is facilitated by annual monitoring and visits to the subsidiary to ensure that technical know-how and service/product information are transferred” (4, T-SA-N)

4.4 The Nature of the HR Practices in the Nigerian Subsidiary

This section begins by discussing the structure and the role of the HR department. This is followed by an examination of the HRM policies in the following areas: staffing/ recruitment and selection; training and development; performance appraisal; compensation and benefits; and employee communication and consultation.

The structure and role of the HR department

HR is considered a vital department in this organisation. The subsidiary HR department comprises of six different sections: staffing; learning and development; grievance; maintenance and logistics; remuneration and estate management. This is summarised in figure 4.1. Each section is overseen by a section head and they all report to the HR manager who in turn reports to the HR director. T-SA-N employs 88 employees in the HRM department. The HR director is a member of the board of directors and is involved in the formulation of corporate strategy as noted by the branch manager:

“HR is involved in the business strategy, also in the technical aspect of the business. This sector is quite competitive and we need people with the right skill set to oversee these affairs. HR ensures that this is provided. They pivotal in managing strategic issues and making strategic decisions” (5, T-SA-N)

HR is not considered as a low level department of the company as they are involved in the strategic planning process of the organisation and the HR director oversees this. The HR manager is also a member of the board of directors and he reports directly to the chief executive officer. Previously, HR was perceived as an administrative department. The HR advisor noted that:

“When T-SA started their operations in Nigeria, HR department was reporting to the administrative director but currently, HR reports straight to the general manager and in addition to that, HR is also represented in the management as our HR director is a member of the top management and is also involved in decision making as well” (3, T-SA-N)

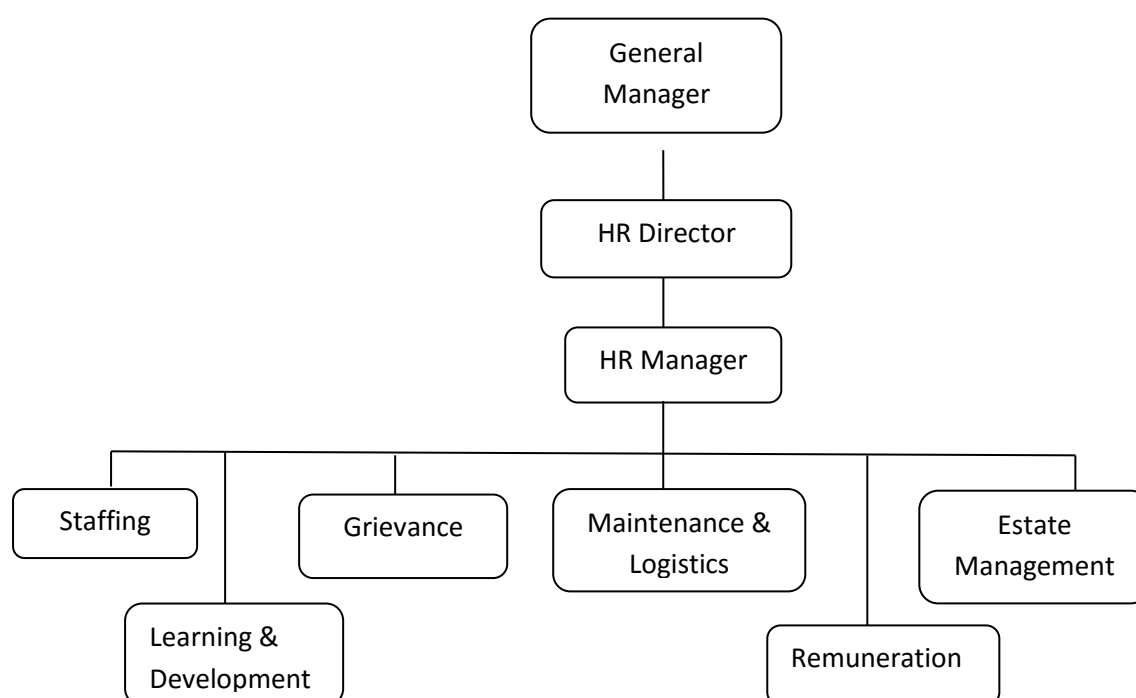


Figure 4.1: T-SA’s Structure of HR department

The HR department is viewed from the standpoint of a business partner constantly making major contributions towards developing and executing the company’s strategy. The HR department is involved in helping employees accomplish business goals and this is done in collaboration with line managers, who are better positioned to explain to the employees what is expected from them regarding their job and they guide the employees through the whole process of accomplishing a task to ensure that it meets the required standard. Commenting on the strategic partner role, the general manager at their leading branch in Nigeria noted that:

“HR is really interested in helping us to accomplish business goals by assisting us in better understanding of these goals; ensuring that they are simplified for easy implementation. They also make sure that there is sync between the overall business strategy of the company and HR strategy” (5, T-SA-N)

HR is interested in the standard through which corporate goals are accomplished; attention is paid to detail as the outcome is really important. Employees are expected to be thorough. Additionally, the operations manager added that:

“HR is interested in how we go about accomplishing our goals; we are not allowed to do things half-hazardly. Whatever we do in our department should support corporate strategy” (7, T-SA-N)

HR is in charge of implementing HR policies. The policies are formulated by the HQ with some modifications by the subsidiary's HR but the modifications must be approved by the HQ before they are adopted and quarterly reports on: financial performance indicators, labour productivity and statement of accounts are submitted to the corporate HR on the progress of the local HR department. The expatriate HR analyst noted that:

Having the HR director as a member of the board simplifies things as this allows for prompt, effective decision-making without bottlenecks and simplifies the whole process. The HQ transfer policies to the subsidiary and allow some flexibility in some areas for adaptation. Although, there are some areas like performance management and training courses where changes are restricted, but the subsidiary is not left in the dark as to why certain policies exist (1, T-SA-N)

The HR department is involved in building and sustaining of employee morale; also, they help to coordinate courses that would aid employees to be more interested in their duties. HR facilitates this with line managers who are more involved with the staff as they offer more assistance to the employees to help them find purpose in doing their duties by devoting some time working with them, thereby creating innovation. This is a more decentralized approach to management. The general manager and HR advisor noted that:

“The role of HR with the support of line managers is clear and they are involved in clarifying tasks and preparing employees for the changes which top management might introduce; ensuring that everyone is carried along as this is the only way of getting the best from people”. (5, T-SA-N)

“Our responsibility is to listen actively and respond quickly to employees by making sure that there are effective communication channels which would help to facilitate this... hence ensuring that their needs are met. The line managers help to ensure a successful implementation...they help HR in collecting surveys and discussing any issues or concerns” (3, T-SA-N)

Line managers have a managerial role and they have the responsibility to meet their objectives and targets. This is in line with HQ requirements. In order to successfully facilitate a decentralised management, a performance based accounting system is put in place and all section heads are responsible and accountable for their budgets.

Line managers had much responsibility expected of them. They were really involved in executing day-to-day tasks and were a part of implementing some HR functions which include: recruitment and selection, performance appraisal and career development. They are actively involved in the process of R&S and they liaised well with the HR department to ensure that it is successful, as for PA it is their responsibility to clarify the objectives to the employees and making sure that they attend necessary training to support them. The HR generalist noted that:

“In most cases during the interview process, line managers related to a particular section/department is invited to participate in the selection process. This has been really effective in the past and help for a smooth transition when the employee is eventually hired” (11, T-SA-N)

Line managers of functional departments are involved in the process of training and development. It is the responsibility of line managers to discuss training needs of members of their team regularly. This is really important to help design appropriate and relevant training for employees. In line with this, the training manager noted that:

“Line managers must ensure that the training needs of their team members are assessed quarterly. This is to ensure that training offered to employees are both effective and efficient” (9, T-SA-N)

The delegation of responsibilities to line managers is also reflected in the HR systems and processes delegated to line managers. Consequently, HR is playing a supportive role. The branch manager noted that:

“The HR policy emphasises the need for HR managers to be help employees understand what they are doing and provide adequate support for them as

management. They encourage being accountable and responsible. HR is responsible for supporting them rather than instructing them” (5, T-SA-N)

HR also helps employees to adapt to change; they do this by helping them understand the need for change by communicating the changes before they are introduced via channels such as the employee portal, emails and circulars. They also avail themselves of some channels such as: internal help desks and buddies through which the changes are explained and support is provided to individuals struggling to adapt.

HR PRACTICES IN THE NIGERIAN SUBSIDIARY

a. Staffing/ Recruitment and selection (R&S)

Composition of the board and key executives

T-SA-N employs about 5,000 employees. T-SA-N has 14 persons on their board of directors (chairman, vice chairman and 12 directors). T-SA-N has 6 Nigerians and 8 expatriates (3 South Africans, 1 Syrian, 2 Dutch, 1 Lebanese and 1 Swiss). They have 8 key executives comprising of 4 Nigerians, 3 South Africans and 1 British. They occupy different positions; 3 key officers are members of the board of directors (see table 4.4 for details). Expatriates appointed as executives are appointed for at least two years. In addition, there are at least 15 short-term expatriate assignments monthly which could last from a fortnight to about 24 weeks to work on specific projects within the organisation. In relation to this, the HR director noted:

“Here in the Nigerian subsidiary, we have 10 expatriates all together from the composition of the board and key executive but only 5 of them have key positions. They are quite useful as we consult them from time to time on delicate issues. They also assist in career planning” (2, T-SA-N)

Expatriates are used by the parent company to bring in specialised teams to transfer know-how of the HQ thereby increasing competencies of the subsidiary staff and this hereby reflects the approach of the parent company. Thus, the operations manager stated:

“In transferring know-how and to control, expatriates are mostly used. The company makes a lot of investment in their subsidiary so it is important that we monitor what is happening to our investment... expatriates are to areas where it is required and the numbers may vary depending on the need. As a policy, the HQ appoints expatriates

due to the nature of the industry as it is quite specific and it is important have a good knowledge of the sector ” (7, T-SA-N)

Similarly, the Head of IT services added that:

“As a matter of principle, the HQ must appoint permanent people from the HQ to work at their subsidiaries globally. In addition to that, we have some temporary expatriates with unique skills that come in for about a fourth night to about 24 weeks” (10, T-SA-N)

Overall, expatriate appointment is an essential aspect of their approach in managing globally.

Table 4.4: T-SA-N Composition of the board and key executives

Board of Directors				Executive officers			
	Nationality	Educational Background	Experience		Nationality	Educational Background	Experience
Executive Chairman *	South African	BSc (Civil Eng), MBA	T-SA Co Pembani Group Ltd BP Plc Strategic leadership and finance	Executive Chairman *	South African	BSc (Civil Eng), MBA	T-SA Co Pembani Group Ltd BP Plc Strategic leadership and finance
Vice Chairman **	Syrian	BA, Executive Education Certificate	Telecommunication T-SA Co	Vice president (Middle East and North Africa-MENA)**	Syrian	BA, Executive Education Certificate	Telecommunication T-SA Co
Member Board of Director	South African	BCom, BCompt (Hons), CA (SA)	T-SA Co Accounting, finance and operations	CEO: T-SA Co Nigeria	South African	BCom, BCompt (Hons), Theory of Accounting Dip, CA (SA)	PricewaterhouseCoopers Joined T-SA Co as a consultant in 2003
Member Board of Director	South African	MA (Psych), MBA	T-SA Co since 1997	Chief Financial officer	South African	BCom, BCompt (Hons), CA (SA)	Altech Cellular Partner at Webber Wentzel Bowens - a Law firm T-SA Co since 2002
Member Board of Director	Nigerian	BSc (Nig) MBA (Nig)	T-SA Co Shell BP UBA	GM Technical	South African	BSc (Elec Eng), MSc (Comm Systems)	Airtel Nigeria T-SA Co

Member Board of Director	Nigerian	BA (Nig) MBA (UK)	T-SA Co Citibank Alcatel	GM Information	British	BA (Hons)	T-SA Azuri Technologies Ltd Gigabit Fibre Ltd General business and telecommunications.
Member Board of Director ***	Nigerian	LLB (Ahmadu Bello University Nigeria) LLM (Cambridge) MBA (Lancaster University)	T-SA Nigeria Shell Standard Chartered Bank Nigeria	Head of HR ***	Nigerian	LLB (Nig) LLM (Cambridge) MBA (UK) Chartered Fellow CIPD UK	T-SA Nigeria Shell UBA Nigeria
Member Board of Director	Nigerian	BSc (Nig) MBA (USA)	T-SA Co Nigeria Citibank	Head of Marketing officer	Nigerian	BSc Nigeria MBA Nigeria	T-SA Co Nigeria UBA
Member Board of Director	Nigerian	BSc (Finance) (Nig) MBA-HR (Robert Gordon University)	T-SA Co Nigeria KPMG Nigeria	GM Sales	Nigerian	BSc (Econs) Nigeria MBA(UK)	T-SA Co
Member Board of Director	Nigerian	LLB (Nig) LLM (Cambridge) MBA (Lancaster University) Chartered Fellow CIPD UK	T-SA Nigeria Chevron Unilever Nigeria	GM customer service	Nigerian	BSc (Accounting) Nigeria MBA-HR University of Aberdeen	T-SA Co Nigeria British American Tobacco Nigeria
Member Board of Director	Dutch	Bsc Hons (Mathematics), MA (Mathematics), MBA	N/A				

Member Board of Director	Dutch	Bcom, Bcompt (Hons), CA (SA)	T-Sa Co Uranus Group Pick n Pay Stores and Holdings Ltd Exxaro Resources Ltd. Accounting and finance
Member Board of Director	Swiss	Bcom, CA (SA), MBA	T-Sa Co Trustee of Standard Bank Group General business, accounting and finance
Member Board of Director	Lebanese	BSc	T-Sa Co International Telecommunications Company General Business And Telecommunications

Source: Developed for the study

Note: * / ** / *** indicate the same person in different roles

T-SA's recruitment and selection of employees globally is based on the job specification, performance and the competence and experience of the employees and this is strongly influenced by the HQs and their approach towards R&S. The HR generalist noted that:

"T-SA emphasises the recruitment of highly qualified candidates with competences strong enough to manage the complexities that come with playing in this sector. They seek individuals with robust experience in this sector..both locally and internationally. Also they seek people with the relevant certifications in this industry" (11, T-SA-N)

The process of recruitment is devolved to line managers of different department by HR department and the purpose of the policy is to ensure that a standard R&S process is established; although the HQ takes into consideration the unique environment of Nigeria.

An expatriate HR department analyst who is a Nigerian, working at the subsidiary, explained that part of their strategy is to adapt some of their practices to suit Nigeria's unique circumstances and the others are done according to global standards; that is standards that are applicable in other subsidiaries. Nevertheless, in considering the company's recruitment strategy, they take a global approach as there is a standard recruitment process which has been put in place by the PC. They also seek to standardise with R&S but allow some adaptation to respond to local demands. Before going on to discuss the process of recruitment and selection, it is important to note the different staff categories as the process of R&S is not the same for all categories. These categories are: full-time employees (these are employees who are required to work normal business hours and overtime if required) and temporary staff (those who work on a short-term basis or for a defined period of time). When there is a vacancy, the line manager submits a requisition form informing HR about this. Vacancies are filled based on the approved staffing levels and annual recruitment plan; where possible, vacancies are internally filled, which provides a prospect for career growth. The recruitment plan is prepared by the HR department following the requisition made by different heads of department. The plan is scrutinised and presented to HR at HQ for approval. Annually there is a budget set aside for this. The HR analyst (Expatriate) noted that:

"Ideally, filling positions internally allows employees to have an opportunity for career progression and employee development" (1, T-SA-N)

Internal recruitment is also emphasised and this is highlighted in the policy of the parent company. This is implemented to curb the challenges associated with overstaffing and to provide an opportunity for career management; thereby providing employees especially

those with high potential with the opportunity to develop. These opportunities include: inter-state and country transfer, team projects at the local or global level and internal promotion, The HR manager noted:

“Vacancies exist due to a number of reasons: inter-state transfer, contract termination, job promotion, dismissals, retirement or unforeseen circumstances. Whatever the reason, it is the responsibility of line managers to submit a requisition form informing the HR executive of any existing vacancy. The vacancies provide an opportunity for employees to benefit from potential opportunities for development within the firm” (2, T-SA-N)

Also, the HR advisor added:

“It is important that employees notify their line managers and supervisors of their intention to apply for any position advertised internally so that frictions between heads of department are avoided and reduce the feeling that employees are poached” (3, T-SA-N)

After exhausting all options to recruit internally, they can then advertise externally and this is clearly specified in the parent company's policy as they clearly state that this minimises overstaffing and provides employees with high potential development opportunity. Depending on the nature of the vacant position, HR may use some specialised professional bodies for recruitment externally. The HR expatriate manager noted:

“In cases where we need to fill in top managerial positions, we go through specialised recruitment agencies and head hunting agencies and these agencies are updated on our recruitment policy to make certain that they are taken on board”. (1, T-SA-N)

The recruitment process is an online process where all job vacancies are advertised on the company's website and other specialised websites like niaajobs.com etc and also universities via internship schemes, which are provided to the best graduating students, especially from private universities in Nigeria. After this there is a process of shortlisting candidates which is based on appropriate skills, qualification and experience without any form of bias including gender, religion, colour or any other form of discrimination. HR reviews and shortlists successful candidates who have met the minimum requirements and the list is vetted by the line manager and HR executive; after which the shortlisted candidates are interviewed and then assessments are done which include: psychometric testing, technical ability tests and presentations. In relation to this, the branch manager stated that:

“We use a combination of various methods; we recruit internally like advertising via office intranet, word of mouth among employees, promotions (for example contract staff becoming permanent staff) and externally – through job portals, company’s website, national newspapers, referrals and universities”. (5, T-SA-N)

T-SA-N also recruits from outside Nigeria, especially for top management positions and they require a high level of expertise and experience. When recruiting top management staff from the local market, depending on the time-frame, head hunting is utilised as this guarantees the right candidate within a given time. Consultants are also used, although scarcely. Due to the nature of competition within the Nigerian market, to retain the best talents, they encourage career progression by promoting individuals with experience internally. The branch manager observed that:

“The company/management recruits from abroad especially for the top management positions and technical experts with the right skill set for the business and who have a level of international experience. We also recruit from the local market and internal automatic promotions depending on the nature of the job. For example, the Nigerian market is becoming very competitive for this sector so we make sure we retain our best employees by promoting them automatically especially those of them with wealth of experience in this sector and those who have worked with some of our competitors with good record of success and achievement in their field” (5, T-SA-N)

Selection

The selection of candidates is based on the job requirement, taking into consideration the candidate’s qualification, competence, skills and experience. This is similar to that of the HQ. The HQ establishes the job description and in selecting a candidate, this is matched with their qualification and relevant skills. The HR department and some departmental line managers are involved in the whole process of selection, which involves computer-based ability tests, face-to-face interview, and personality and psychometric tests. Successful candidates are offered employment letters, the remuneration package discussed and the contract signed. A probation period of six months is served before a formal letter of confirmation is given following a satisfactory performance. The procedure is a standard one which follows HQ’s specification. For managerial positions, the HR department cannot finalise on this. The final decision is made by HR department at the HQ. The HR manager (expatriate) noted that:

“Especially for the job description and the type of employees more importantly top managerial positions as the standards cannot be diluted and more importantly, competition is quite intense now in this sector. It was not like this when we started off in this market”. (1, T-SA-N)

Nevertheless, some top management officials at the Nigerian subsidiary corroborate that there are some R&S techniques that are localised. There is a scheme called NYSC – the National Youth Service Corps for young graduates set up by the Nigerian government under decree No. 24 of 22nd May 1973. It is compulsory for all Nigerians (even those in the diaspora), unless the person is above 30 years or has served with any security agency (in this case an exception letter is issued). This is usually for a period of 12 months if the person intends to work in Nigeria or hold a public office. This is one of the items included in the selection criteria of T-SA as it is a government policy. The HR manager noted that:

“One of the things I find unique about the process of shortlisting candidates in the Nigerian subsidiary is that no one is recruited within Nigeria who is a Nigerian if they have not gone through a scheme they call NYSC which is National Youth Service Corps. This is a mandatory requirement according to government regulations”. (1, T-SA-N)

The process of R&S has to be within the specified budget of the HQ. The cost associated with this process is minimised in exploring other options such as the NYSC compulsory scheme that was established by the government. This has proven to be an effective source of recruiting graduates with good qualifications and great potential. The financial analyst added that:

“Whatever we do in terms of R&S has to be within the boundaries of the budget allocated and approved by the HQ. So we try to minimise cost of recruiting full-time staff by taking advantage of the NYSC scheme which lasts for 12 months and recruit graduates on this scheme and train them for the areas we want them to oversee and most times they are recruited to our customer service department. This has been very successful over the years and has helped us to stay within the boundaries of the budget without compromising the standard of our service”. (4, T-SA-N)

Part of T-SA's strategy is to adapt some of their practices to suit Nigeria's unique circumstances and the others done according to global standards.

b. Training and development

T-SA HR managers and specialists, line managers of other functional departments, senior managers and others who are involved with people related issues refer to training and development as learning and development (L&D) retention policy and this is how it is referred to across borders. This was reviewed by the company 10 years ago as they felt that the term “training and development” does not really define their culture comprehensively in terms of how they view their employees. They see them as valuable resources and not some “robots” and they feel that the least they can do is to mentor them to reflect the values of the parent company. One of the HR managers was asked about any particular reason why they referred to this department as L&D and he commented:

“The company reviewed the term ‘training and development’ because it does not depict what we are doing in this department; it does not express our culture, what we are doing with our employees. We see them as assets and not robots, it is our responsibility to groom them so that they reflect our image and what we stand for but they need to believe in our vision as an organisation instead of us forcing it on them through training... When they learn, they embrace our values... this is what we believe and changing the term has transformed our employees perception towards learning as we gathered from our recent feedback.” (1, T-SA-N)

A number of training programmes are conducted at the HQ, the subsidiary or electronically depending on the type of training and for what category of employees. Technical staff undertake some training so as to have some certification relevant to their field and these courses are offered in Europe. Most of the trainings are conducted at the learning centre in Nigeria. About 75% of the trainings are done in-house; the learning and development centre takes care of this training and 25% are conducted externally by recognised specialised organisations locally. Training is compulsory for all staff members especially for the basic initial trainings given when staff members are newly recruited, for example: health and safety training, code of conduct training (“the code”), etc. However, the HR generalist noted that:

“Due to cost optimisation, most training now are conducted online apart from some specific trainings that have to be conducted at the HQ; for example, managerial and leadership trainings” (11, T-SA-N)

Apart from the initial training provided, all respondents confirmed that all employees are trained and that the amount of trainings provided has been increasing over the years. The operations manager commented on this: *“training is not just restricted to a particular*

department... everyone is involved, from customer service staff to technicians and even the top management staff...". T-SA-N's training programme is constantly modified to be more cost-effective and efficient. Considering the constant development in technology, that avenue is also utilised to optimise training. Some tools like podcasts and webinars are also used, followed by video conferencing.

Managerial training is still done at the HQ as this gives the managers an opportunity to meet with other managers and encourages knowledge sharing and gaining insight into other people's culture. This strengthens the network of managers and for technical staff, it provides a unique opportunity to brainstorm with technical staff from different subsidiaries. In addition, the HR analyst mentioned that:

"Training is provided to all departmental staff and is held in different locations and the nature keeps evolving as time goes on because of cost; however, it is necessary to improve quality of service and staff development. Therefore, most of the training for top management staff is usually done at the HQ, others are done in branches across the different states- Abuja, Port Harcourt and at times members of staff at the entry level learn on the job. In some cases, staff members are sent abroad for certain professional training; this also depends on the position of the staff, the department and the nature of their job, especially for staff in the technical department and operations". (1, T-SA-N)

Training is important in T-SA and the budget reflects this. The budget is allocated towards this from the HQ upon request from the subsidiary. A training plan with details of the cost is designed by the L&D manager and upon approval of the HR regional director; a budget is set aside for it.

The HR analyst noted that annually, nearly N35,000,000 is invested in training which is equivalent to US\$176,000 and this is an increase of 40% from what it used to be. Every employee is entitled to at least 10 days of training annually. This reflects that training is of great significance to the parent company, as this is an important part of their strategy. The HR manager also noted that:

"This is a vital aspect of our strategy and around 6% of our total expenses are allocated to training. Our new staff members go through a rigorous training when they join. A lot of resources is committed to this" (2, T-SA-N)

The finance analyst further explained that:

“The budget is a joint decision made by selected members of the management, finance personnel, and HR personnel at the subsidiary, but cannot be implemented without the approval of HR at the HQ. Although training is important to T-SA, it has to be implemented within the boundaries of the budget approved by the HQ. Hence, the onus is on heads of department to come up with cost-effective trainings that are effective” (4, T-SA-N)

Furthermore as T-SA increases their training expenditure, they also adopt a more systematic approach to it by identifying and assessing the training needs of employees and put a plan in place so that it is effectively and efficiently linked to career promotion. Although this proved effective initially, they had to modify it, linking training more specifically to job description and a plan of specific courses to be taken. Every department designs courses and tailors it to individual job description, whilst considering the individual's previous training records. The HR manager noted that:

“There is training plan for all employees and the plan is designed based on employee's specific training needs and objectives are set by the line managers of employees” (2, T-SA-N)

T-SA has dichotomised T&D policy corporate training for managerial and non-managerial positions across all subsidiaries and this is similar to the HQ practices due to the level of responsibilities and job description. Training arrangements for contract and non-contract staff also differ. The former is catered for by the contractors, but they follow the guidelines of the company.

The HR analyst also noted that:

“Training and development differs for managerial and non-managerial positions and this is similar to the HQ. The reason for this is that managerial staff have more responsibilities and a complex job description, so they are trained on a lot of issues. However, some training like health and safety training, work ethics... is compulsory for everyone. These categories of trainings exist due to staffing arrangements; for example, contract staff and permanent staff. The responsibility of training contract staff lies with the contractor, but of course the company provides them with a training manual with which they train their staff and this guidelines must be followed to the latter with a staff from HR overseeing this” (1, T-SA-N)

Overseas trainings are implemented for managers, departmental heads and technical staff to give employees an opportunity to build networks, information sharing and cross-cultural mind set. The leadership courses provide an enabling environment for managers to glean knowledge and ideas from each other. In line with this, the HR manager noted that:

“The whole essence of this is to bring people from different settings together so that they can exchange ideas and knowledge giving them an opportunity to learn from each other, thereby making them more international especially in their mind set” (2, T-SA-N)

Trainings are quite structured, starting from the entry level and progression to another level depends on employees' performance and their ability. The HQ influences the nature of training at the subsidiary to a large extent. They give their input on the qualifications, skills, competencies needed at their subsidiaries. Due to the nature of the industry and the need to maintain competitive advantage, the HQ influences this policy. The HR analyst noted that:

“Although, the subsidiary is at liberty to decide on the type of training to administer, the HQ still advises them on specific requirement or job specification needed. They influence T&D this way” (1, T-SA-N)

It looks as if some of the advice is subtly transferred via occasional / temporary visits / transfer staff from the HQ and vice versa. For instance the HR advisor noted that, *“the HR analyst has been with us for over 15 years now and has been so useful in helping us redesign or update our training programmes”*. Correspondingly, specialists are sent in from different departments from time to time to help identify areas that require changes and necessary training. The following quote by the operations manager reflected this:

“Consultants from the HQ are used to transfer know-how. Some areas of our system have been updated with tools and software that would help us to be more efficient. The occasional visits of these consultants have proved useful as they help us to spot some areas that we need to improve on. This guides us in planning our training, cost planning and execution” (7, T-SA-N)

Overall, even though T-SA has standard T&D policies, the HR analyst noted that *“local initiatives are taken into account”*. The training plan can be standard yet the trainers take on board local peculiarities. The content is standard but the crux of it is adapted as this is subject to contextual factors that may influence the training process. The branch manager

noted that training depends on the “*composition of the people involved, subject of interest, position etc.*”.

c. Performance appraisal

T-SA employees explained that their performance appraisal (PA) process is standard across all subsidiaries and all employees are officially appraised. Performance appraisal is an important policy and all staff members are involved. It is carried out by line managers and it is implemented twice a year; in the mid-year and at the end of the year. The main purpose of the PA system is to evaluate employees’ skills and competencies, to set objectives; reviewing employees’ performance against set objectives and to identify training needs. Commenting on this, the financial analyst noted that:

“Appraisal serves a lot of purpose. It is done to identify individuals who are working towards organizational objectives and are not deviating from the set goals; it is also used to make a decision in promoting staff internally, self-development. Also, it is used in identifying training needs and also used in proffering future recommendation. It is unrelated to pay because salaries are fixed and it is according to individual employment contract; however, appraisal is tied to bonuses”. (4, T-SA-N)

The management by objectives is also utilised by T-SA. Employees are appraised based on the targets achieved for example, the training manager noted that:

“The appraisal system is linked to the objectives set... the objectives are discussed with the employee and the line manager and they are clear and implementable. Employees are appraised based on their ability to achieve targets set” (9, T-SA-N)

In the same vein, policies on career management and succession planning are also linked to PA and training. The HR advisor noted:

“There is a written policy on career management and a generic training plan is in place. Improvements are being made to this to ensure that it is well understood and implemented. This is currently implemented for highfliers and high potentials” (3, T-SA-N)

This process is in line with what is being implemented at the HQ. All employees are appraised based on their position. Table 4.5 provides the rating percentages. The HR analyst confirms this stating that:

“The performance appraisal system has to be consistent in all the subsidiaries so the HQ does not bear the burden of consistently adjusting performance appraisal system as this comes with a high cost. (1, T-SA-N)

Managers of different department consider detailed measures and action plans for individual employees whilst examining their report. The measures and action plans are based on the job description and expected target which is clearly stated. The employees are aware of the evaluation levels and the percentages assigned for each level (see table 4.5 for details). The departmental heads also discuss with them what is required to achieve this. Employees on evaluation levels of good and poor levels do not receive any increase and a warning is served. Also a cap is placed on the levels of annual increase: 7%, 30% and 60% respectively.

Table 4.5: Appraisal percentages

Evaluation level	% for different levels	Max % for different levels
Distinction	11-16%	7%
Commendable	4-10%	30%
Good	3%	60%
Poor	0%	

d. Compensation and benefits

The compensation system of T-SA is linked to job descriptions which are matched with salary scales. The main standard used for this is based on experience and educational qualifications. The informants also noted that *“this practice should be localised”*. Every country has a salary level and this is closely linked to the economic level of the country, industry rates and the standard of living.

According to the financial analyst:

“Generally, pay is determined according to the position one occupies, job description and terms of employment.... based on the market rate and according

to the economic circumstances in Nigeria. The level of education and the experience of the staff is really important to consider” (4, T-SA-N)

Accordingly, the level of pay is dependent on how important the position is and its relevance in the Nigerian market and the extent of the competition. For instance, skilled engineers and technicians are attracted to competitors that offer higher remuneration. The company makes sure that their payment structure is competitive as they are not the only company in this sector. The company tries to achieve their benchmark considering the dynamics of the market, tax structure, policies and regulation and competition for a pool of talents. T-SA complies with the local labour law which influences their compensation and benefit system. This is a practice that is adapted to suit local conditions. According to the HR analyst:

“When we started 15 years ago in Nigeria we were about the only and biggest telecommunication company and at the time we were not up against any competition. We decided our compensation to a large extent and not the local market...in fact, we even pay more than the stipulated minimum wage, but with the increase of other companies in the same sector in the Nigerian market, the compensation has become very competitive, thereby forcing us to review our rates or risk losing our specialised personnel to our competitors” (1, T-SA-N)

Notwithstanding, T-SA has certain principles of compensation, for example, performance pay maintains a standard across borders, although it is adapted to ensure that they fit into the local market and keep pace with competitors.

According to the financial analyst:

“Promotions are determined not based on seniority but on individual performance and their contribution towards the company. A point-based system is in place and an employee qualifies for a promotion if vacancies are available when they attain a high score of 10 points. Ordinarily, it may take up to 4 years if the due process is followed” (4, T-SA-N)

Therefore, the system helps the company to identify quality potentials and promote them within a shorter time. This also indicates that there is not just a relationship between promotion and appraisal, but it is also related to succession planning and career advancement. The HR analyst noted that:

“Promotion is linked to individual performance and helps us to identify employees with high potentials. This helps in the establishment of a good and effective career plan and helps us to facilitate a good succession plan” (1, T-SA-N)

To ensure a standard variable scheme, it was set up based on percentages set by the HQ and this was set up to motivate employees to improve on their performance (see table 4.5).

T-SA has in place a number of benefits: private health insurance for employees and family members, car loan (this is optional and it is only for permanent employees), free mobile phones with monthly top-up of N10,000; but top management staff get up to N20,000 top-up, housing allowance and generator allowance. Commenting on compensation and benefits, the HR manager stated that:

“Pay is set at the subsidiary level but with specific guidelines from HQ as to how it would be carried out. This is important as there is already a structure in place; however, the subsidiary can make some adjustments but within the HQ’s guidelines. As per benefits, the HQs has introduced some new benefit plans. For example, the retirement pensions but this has not been implemented as the modalities behind this have not been thought through. This is desirable for the parent company but employees are reluctant to do this as they do not trust the pension scheme in place as this has failed to deliver in the past. The HQ is still reviewing this” (3, T-SA-N)

Overall, the subsidiary can set up their compensation and benefits plans, but they have to consider the HQ guidelines. The subsidiary cannot make modifications in the area of pay and bonus structure without following the HQ guidelines on the size of the bonus, which is dependent on HQ percentage allocated. For example, commenting on the extent of control, the financial analyst noted that:

“Pay and bonus structure, salary modifications... are from the subsidiary but we try to follow what has been specified by HQ. We possess more liberty in the area of recruitment although we follow the regional specifications to some extent. For our bonuses, a percentage of it comes from our HQ and for the top executives, their salaries are reported”. (4, T-SA-N)

e. Employee communication and consultation

The method of communication in T-SA is quite structured. There is a central portal through which information is passed on to all employees as they can access this system. This system provides information from the HQ as well as the subsidiary. The system facilitates easy and quick communication. Employees are encouraged to constantly log into the portal as it is constantly updated. For example, the HR director stated:

“There is a portal which is called ‘Fido’; this is where the company shares any new information that is to be passed on to members of staff... every staff has got a unique login ID for the portal and they can easily access the information. We get all kinds of information internally and even information from the HQ as well. We always find new things on the portal every day and this has been a very effective method of communication”. (2, T-SA-N)

Apart from the portal, emails have proven effective and it is a practice within the organisation for employees to respond to emails within 12 hours. Other means include the newsletters, and regular meetings held in different departments with departmental heads. The HR advisor noted that:

“Sending out emails is another way that we communicate within the company. Every staff is expected to check their staff emails from time to time during work hours for any updates. The company also publishes newsletters bi-monthly. Regularly, meeting are held between supervisors and staff members, managers and employees to discuss customer related issues. Also, from time to time, meetings are held of various department heads and supervisors of several branches so as to discuss issues and how to improve the quality of our service” (3, T-SA-N)

It is important to establish the formal approval and reporting lines to maintain consistency in how the practices are implemented, but at the same time, it was important for them to carry the employees along. In line with this, the training manager noted:

“When practices and policies are established by the HQ at the subsidiary; from time to time, opinions and feedback are sought from the employees especially heads of department as they are directly in contact with the employees. In most cases, the feedback garnered is then cascaded to the HQ and then it helps then to modify some practices in line with the country conditions” (9, T-SA-N)

There have been improvements to the communication channels over the years and the HQ have placed a strong emphasis on this. The HR analyst noted that: *“there is a robust focus on communication”*. Similarly, the HR director noted that: *“This is highlighted in the HR policy, it is important to know what the employees are doing”*. The HR analyst noted:

“The different ways through which we communicate within the company especially emails has helped us in communicating effectively both horizontally and vertically. For example, I am able to communicate with the operations head of HR directly and copy my line manager on the email so as to discuss and share in decision making”.
(1, T-SA-N)

The HQ’s influence can be seen in the style of management implemented by the expatriates who acted as the *“Headquarters’ mouthpiece”*. The quote of the advertising and media executive reflected this. He noted that in areas that required improvements in the company:

“As time progressed there were areas that need some improvements. Ideas were put forward and they were readily accepted and perhaps, implemented if the idea is good. So many suggestions are presented and were okayed. We feel that we are a part of the company and that our ideas are valued. This has brought about so many creative and innovative ideas”. (6, T-SA-N)

Generally speaking, the company provides employees with different information such as safety issues, pay bonuses, work ethics and quality. Communication is on individual and departmental basis with departmental heads liaising with relevant heads from the HQ instead of through a trade union. No form of employee representation is allowed in this company and this is stated in the company policy. In the words of the branch manager: *“it is prohibited”*.

4.5 Conclusion

This chapter sought to detail all that was found out during the interviews with T-SA-N concerning the nature of their HR practices, the nature and process of integrating HRM policies and practices into the subsidiary and the role of HR in facilitating the transfer.

The HR practices investigated are: recruitment and selection; training and development; performance management; compensation and benefits; and employee communication and consultation. Nevertheless, there are certain factors that shape the nature of the transfer of the HR practices (further details provided in the analysis section). These factors include the

HQ orientation/ approach towards overseas management of HR resources, industry characteristics, institutional factors and management style.

The parent company has a formal process whereby all policies are clearly written down and detailed with specific instructions as to how they are implemented in the subsidiaries. For example, the HQ specified some guidelines regarding: recruitment and selection; training and development; performance appraisal; employee communication and consultation; compensation and benefit; and many other practices. Nonetheless, regarding their R&S and compensation and benefits practices, they allowed some considerable local discretion although constrained by the budget.

The guidelines specified were supported by other mechanisms such as the use of expatriates for both long- and short-term assignments so as to spread central decisions and to help employees understand organisational culture; frequent visits of HQ representatives and regular visits/ meeting of top management staff to the HQ and information channels, which are not just to develop subsidiary staff members, but also to introduce them into the HQ's "modus operandi".

However, the actions of both the home and the affiliates were shaped by some institutional factors within the subsidiary such as: culture and government policies. This resulted in the adjustment of some policies, such as compensation and benefit, complying with the local labour law; hence the company is experiencing some localising pressure as it has to do with this policy, as they are responding more to the benchmark of other competitors within the market. Also, due to the competitiveness of this sector the company is forced to adjust this policy so as to improve their competitive position in the market.

CHAPTER FIVE: T-UE CO

5.1 Introduction

Chapter five describes the second case study, which concerns the telecommunications company T-UE-Co (T-UE). The findings of the case are reported by initially providing information about the profiles of the parent company and the Nigerian subsidiary. This is followed by outlining the structure and role of the subsidiary's HR, reported in three main sections: the profile of the company, selected HRM practices applied in Nigeria which include: recruitment and selection, compensation and benefits, training and development, performance appraisal and employee consultation. Following this is the process of transfer from the PC to the HC and the role of HR. Finally, the conclusion ties up all the key points that emerge from the case study.

5.2 Company Profile

This section provides brief background information about the parent company and the Nigerian subsidiary. Then it moves to describing the parent company's approach to the management of its subsidiaries across borders.

The Parent Company

The parent company is a state-owned Arab Middle Eastern company based in the United Arab Emirates (UAE). The parent company, which was founded in 1976, is one of the leading telecommunication companies with 52,800 employees worldwide and subsidiaries in 19 countries in the Africa, Middle East and Asia regions. Based on the number of subscribers, it is ranked as the 16th largest telecommunications organisation in the world as at 2014, with 119.7 million connections which put them in 15th position a year later (www.gsmainelligence.com). This company is highly rated within its sector: ratings from Moody: Aa3, Standard and Poors: AA- and Fitch: A+ with a formidable support from the UAE government (company website).

The company conducts business through a single business segment: supplying telecommunication products and services. In the emerging market, they are one of the leading telecommunications groups. The company's international growth strategy has been on record high and this is as a result of their strategic support in five key areas: quality service, optimum customer experience, exceptional operations; unified systems and processes and strong corporate culture. In the past 10 years, T-UE has grown its customer

base exponentially from 4 million to 140 million. Acquisition started in 2004 in earnest after they were awarded a second licence and the first 3G licence in another Middle Eastern country. T-UE has been experiencing giant strides in acquiring subsidiaries in the Middle East, Africa and Asian regions (company website).

The primary services offered by T-UE comprise of telecommunication services: broadband, mobile services, fixed line rentals, satellite phone services; consulting services: training and development, infrastructural development/training, real estate, facility management; and media related services: mobile television (company website).

The company has 11 persons on their board of directors consisting mainly of Emiratis. They also have 10 senior management members (see table 5.1 for details).

Table 5.1: T-UE Composition of the board of directors

Board of Directors				Executives			
	Nationality	Educational Background	Experience		Nationality	Educational Background	Experience
Executive Chairman *	Emirati	BSc (UK), MBA (UK)	T-UE Co BP Plc Alcatel	CEO	Emirati	BA (USA) Master's (USA)	T-UE Co: Held different portfolios within the company from 1992 till date
Vice chairman	Emirati	BCom, MA MBA (USA)	T-UE Co Vodafone	Chief Human Resources Officer	Emirati	BBA (USA) MBA (UAE University)	Telecommunications industry - 23 years HR department- Over 12 years
Board members	Emirati	BA (Hons) MSc	T-UE Co BT Airtel	Chief Technology Officer	Emirati	BSc (T-UE College of Engineering in Communication)	T-UE Co: Held different portfolios within the company from 1995 till date
Board members	Emirati	BCom LLB MBA (UK)	T-UE Co Orwell Energy Petmin Mining Economics and the energy sector	Chief Operating Officer	Egyptian	BSc Communications and Electronics Engineering (Cairo University) MBA (American University in Cairo)	CMO Vodafone Egypt- Start up 1999 CEO Vodafone Egypt- 2009-2014 T-UE- 2014 till date

Board members	Emirati	BSc MBA PhD (USA)	T-UE Co Alcatel PricewaterhouseCoopers	Chief Financial Officer	Turkish	Bosphorus University Turkey	Pricewaterhouse Coopers DHL Worldwide Express Fritolay Turkcell T-UE Co
Board members	Emirati	BSc MA PhD	T-UE Co Telefonica	Chief Digital Services Officer	Emirati	BSc Electrical Engineering- University of Kentucky, USA	T-UE Co since 1993 as head of marketing in the UAE 2011 - moved into his new Group position
Board members	Emirati	BCom (Acc), Dip Tertiary Education, MBA, Executive Leadership Development Programme (UK)	T-UE Co Airtel BT	Chief Procurement Officer	Emirati	BSc (T-UE College of Engineering in Communication)	Started with T-UE Co in 1998
Board members	Emirati	BSc	T-UE Co Vodafone	Chief Internal Auditor	Spanish	N/A	Telecommunicatio ns industry - 24 years Telefonica Group T-UE- 2012 till date

Board members	Emirati	BCom, BCompt (Hons), CA (UAE)	T-UE Co Held some directorship positions in a number of companies previously. General finance and tax	Chief Internal Control Officer	New Zealander	Chartered Accountants	KPMG- Management role Air New Zealand - Group Internal Auditor Stockland - CRO Vodafone - GM T-UE Co
Board members	Emirati	BSc (USA) MBA (USA)	T-UE Co Lafarge Vodafone	Chief Legal & Regulatory Officer	Lebanese	Bachelor's (Econs) (President and Fellows of Harvard College) PhD (Trustees of Columbia University in the City of New York)	Chief Legal & Regulatory Officer - 2012 till date T-UE Co - Senior VP: Corporate Regulatory – unknown - 2012
Board members	Emirati	BA (US) MSc MBA (France)	T-UE Co Vodafone Airtel				

Source: Developed for the study

The Nigerian Subsidiary

The Nigerian subsidiary (T-UE-N) started up in 2008 as a green field operator in partnership with a government-owned company from the UAE. The company has 40% share of the business, the UAE government-owned company owns 30% of the shares and independent Nigerian investors own 20% of the shares (company website).

The company currently provides services to 36 states of the country, including rural areas with over 14 million subscribers. The HQ has a subscriber base of about 169 million subscribers in over 19 countries and it is one of the emerging market leaders in the telecommunication sector. In Nigeria, it is the 4th largest amongst GSM operators. The Nigerian subsidiary has about 5,000 employees (company website).

5.3 Headquarters–Subsidiary Relationship

The parent company of T-UE Co tends to adopt a more centralized approach towards the management of its human resources across borders. This centralisation is reflected in the adoption of company-wide standardized HR policies in the subsidiaries worldwide, particularly with regard to: recruitment and selection, and compensation and benefits. At the same time, other key areas like performance appraisal system, training and development, communication will follow HQ's specification to a large extent. However, the parent company also recognises the need to adapt some its practices (recruitment and selection, and compensation and benefits) to be responsive to various local factors such as legislation and local market conditions. In relation to this, for example, the HR manager and branch manager noted respectively that:

“Initially, when T-UE Co first came into Nigeria, they initiated standard policies; these policies were quite rigid, but as time went on we had to adjust some of the policies due to government legislation and local market conditions. For example, when they started operations in Nigeria, we were paying our employees in dollars, but as time went on they had to review the policies to bench mark against what was paid in the sector in Nigeria. There are company-wide policies, but the country's HR department can adapt some policies... of course with the approval of the HQ”. (4, T-UE-N)

“The HR policies are slightly adapted, but in general, the corporate goals are kept in view to ensure that standards are not compromised. For example, there are no significant changes regarding policies on performance appraisal, training and

development, employee communications and career management. Notwithstanding, we apply these policies to the extent that the local laws and culture would permit us. The same policies are applied so as to ensure consistency. This implies that the company is consistently applying the same principles globally and this is an important part of their culture “. (2, T-UE-N)

Nonetheless, the HQ emphasises the need to ensure that common policies are applied in all global subsidiaries as mentioned by the training manager above so that corporate goals are kept in view. Also, employees who are vital to the organisation are developed to take up higher roles in other subsidiaries globally. The common policies that are followed by the HQ are driven by corporate culture and values of the company which is based on the view that human resources are valuable and should be accorded respect. In line with this, the operations manager noted that:

“Our company is a global one and is so diverse culturally. We have great value for people, we are a customer friendly company and our employees enjoy working with us. People are indispensable in any business; so for our business to thrive we need to make sure that people are satisfied with our services in order to maintain our market share. It is important to us that our employees feel a part of the company and are happy to remain with us” (3, T-UE-N)

The coordination is strengthened by different mechanisms implemented to maintain consistency globally. Generally, an operational guide/handbook is provided to help support new subsidiaries to integrate effectively. Groups of employees from different functional departments are sent to HQ to help train them for three months on how to implement strategic plans and then, accompanied by routine visits, to ensure that plans are well executed, making changes where necessary. The stages of the plans and tools for implementation are built based on certain standards, one of which is respecting the cultural values of the subsidiary and making sure activities and decisions are transparently executed.

Training tools like induction seminars are developed to create a common culture and these are held by the HQ for new managers, also introducing the internet portal to facilitate information sharing and the development of effective working methods.

Against the backdrop of a policy which is relatively centralised, nonetheless, the need to respond locally is acknowledged. The choice to be locally responsive though, is limited due to some stringent financial control and setting performance targets, which are applied

globally in making comparisons. The targets include: operating profits, number of subscribers and the overall costs.

Coordination and control mechanism

The findings from T-UE revealed a variety of direct and indirect, formal and informal/relational control and transmission mechanisms to collect, share, exchange information, and transfer knowledge and HR practices to the Nigerian subsidiary.

Even though the HQ adopts a medium standardised approach towards HR management as a number of their practices are adapted to suit the local context. There is still pressure for the Nigerian subsidiary to adopt certain HRM practices from the HQ and for those that have been slightly modified, the HQ is consulted before they are implemented and they must be in line with corporate objectives. According to the HR manager:

“Due to the nature of recruiting and selecting in Nigeria, it would be challenging to follow the HQ specification on this policy; however, in the area of financial compensation the HQ make the decision to a large extent and we enjoy a little freedom in this area. Also, the budget is something that must be approved by the HQ annually. We are expected to follow the accounting standard which has been specified so that it is consistent with what is done in other subsidiaries” (4, T-UE-N)

The training manager added:

“Although, managers in Nigeria are autonomous to some extent in the area of decision making; our decisions could be modified if they are not in line with the company's objectives. On the Nigerian board of directors, we have people from the HQ who are a part of it and they ensure that our decisions regarding company's development align with the HQ” (2, T-UE-N)

It is essential to institute formal approval which would help T-UE to formally integrate all functional activities performed by all units ensuring that consistency is maintained across all units. To help facilitate this, the HQ provide standard procedure, which is specified and written down. Furthermore, the HR department has to report all numbers relating to staff recruited, training conducted safety standards and financial to the HQ HR; this helps the HQ to make realistic decisions regarding benchmarking. The financial analyst and HR advisor pointed out that:

“Our performance appraisal system is quite formalised. The process is pretty much based on the HQ specification and we follow it to the letter. We may be allowed to

adjust some policies, but our performance appraisal system is standard and we are keen on following what they have specified. When I joined this company some time ago, I submitted an appraisal making some modification in some areas I felt was irrelevant, but it was sent back to me and I was made to redo it following the specified standard” (5, T-UE-N)

“Report on numbers relating to employees recruited, trainings conducted, etc., helps the company to take a realistic stance when it comes to benchmarking” (7, T-UE-N)

Upon establishment of formalised procedure, T-UE ensures that staff members are carried along and from time to time, feedback and the opinions of employees are collected from line managers as they are in direct contact with employees and most times, according to the HR analyst:

“The information gathered is passed on to the HR department at the HQ and this has been so useful....information garnered helps them in adapting some practices to suit country specific circumstances” (9, T-UE-N)

Also, managers in each subsidiary globally are expected to attend the annual meeting at the HQ. The aim of this meeting is to disseminate information regarding corporate policy. In addition it created a platform where specific issues, such as succession planning were jointly discussed.

The parent company and the subsidiary are constantly in touch through other forms of communication such as emails, phone calls. Previously, the HQ would visit the subsidiary quarterly, but after the first two years of establishment and with three people in the subsidiaries’ board of directors, the visits have reduced considerably. For instance, the operations manager noted that:

“Initially, the HQ visits to the subsidiary were more frequent than it is currently so that they are able to ensure that standards were maintained. This was a way of the HQ controlling the subsidiary indirectly... although this has been gradually replaced by having expatriates from the HQ on the board of directors” (2, T-UE-N)

5.4 The Nature of the HR Practices in the Nigerian Subsidiary

This section begins by discussing the structure and the role of the HR department. This is followed by an examination of the following HR areas staffing composition/ recruitment and selection; training and development; performance appraisal; compensation and benefits; and

employee communication and consultation policies. The third section outlines the strategies adopted to transfer.

The structure and role of the HR department

T-UE HR department comprises of six different sections: training, rewards and compensation, disciplinary and grievance, appraisal and monitoring, recruitment, and exit department. This is summarised in figure 5.1. Each section is overseen by a section head they all report to the HR manager who in turn reports to the HR director. T-UE-N employs 75 employees in the HRM department. The HR director is a member of the board of directors and is involved in the formulation of corporate strategy.

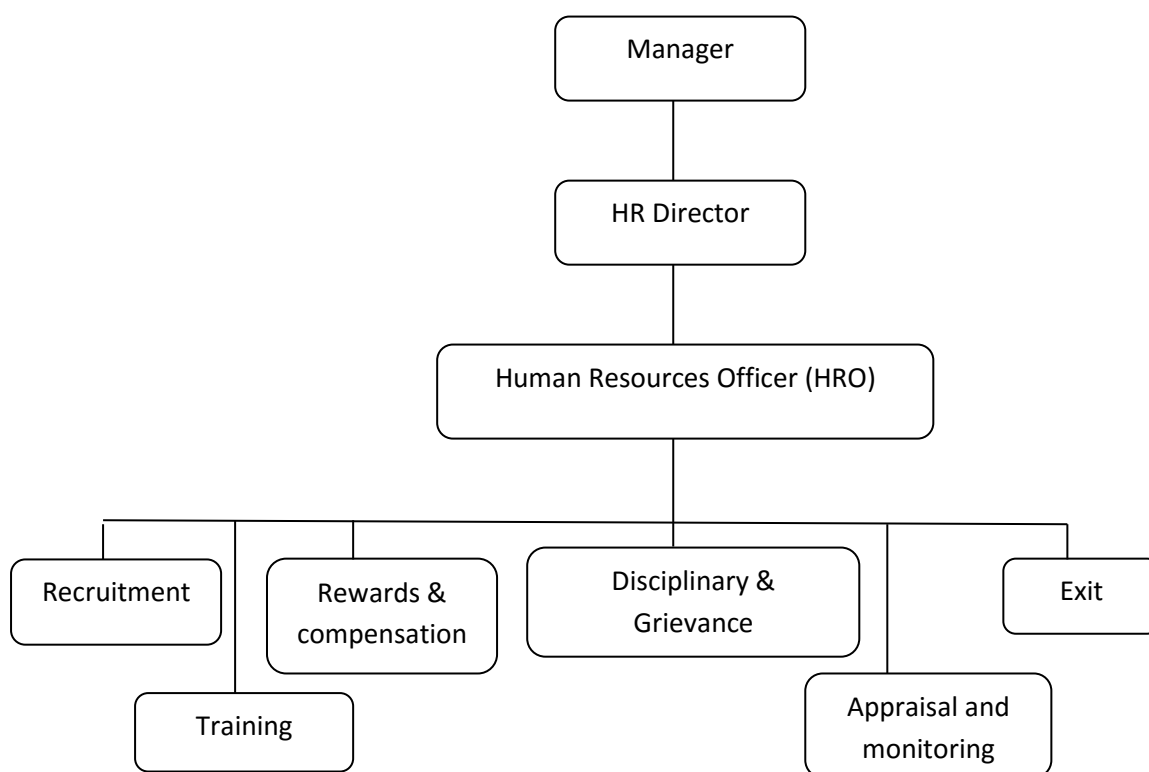


Figure 5.1: T-UE-N Structure of HR department

Part of their HR value is the emphasis on quality workforce helping the firm to forge a successful pathway, leveraging the skills and know-how of their employees as they understand that this can be translated into improved job performance and would increase employees' loyalty. The HR department is continuously making major contributions towards developing and executing HRM with the company's strategy and it is their responsibility to update corporate HR of achievements made in the bi-annual reports. According to the HR manager:

“HR plays a critical role in the company’s overall strategic plan. This is reflected in how we implement our duties, how we allocate resources on benefits, training and development and other areas. It is also our responsibility to decide on how we carry out our duties. Whether we do it internally or we outsource it. For example, we outsourced our customer service units to help us focus on other pressing areas within the company. Whatever we do within the department is documented and submitted to corporate HR twice a year”. (4, T-UE-N)

Similarly, the training manager noted that:

“The strategic role of HR previously was not as established as it is now. Previously HR played more of an administrative role in Nigeria. Although, currently it is changing and within HR we have a HR training manager, grievance and compliance manager etc. We even have HR represented on the board of directors.” (2, T-UE-N)

The participants in the investigation highlighted the administrative expertise of the HR department, which is also a key factor in the implementation of HR policies across all the departments. They were actively involved in the staffing, training of the employees and other activities highlighted above. According to the head of IT services:

“HR department is responsible for an effective and efficient administrative function of the organization. For instance, they are in charge of recruitment and training of new employees. Also, we have a standard web-based software which is used for our payroll plan. This was implemented by the HQ four years ago when they had to restructure our compensation plan” (6, T-UE-N)

The HR manager added that:

“We also use the employee portal in communicating with our staff. Every staff is trained on how to effectively use this tool which helps communication. In addition to this, HR HQ updates the central portal from time to time and information is shared with other subsidiaries. This information helps in effective decision-making” (4, T-UE-N)

The HR department also work with line managers as some responsibilities can be delegated to them and this increases their responsibility and accountability. Some processes were put in place to support decentralisation, for example, the budget control system. The HR manager commented on the department’s relationship with line managers. He noted that:

“The HR department were there to support line managers. Responsibilities were devolved to them and they were expected to implement them. Invariably, HR work side by side line managers to effectively accomplish tasks successfully” (4, T-UE-N)

HR had the responsibility to ensure that other departments fulfil their functional goals in line with the corporate goals.

HR creates an enabling environment where employees can contribute to the organisation's well-being. This is facilitated through effective communication. The HR advisor commented on this:

“It is the responsibility of HR to ensure that there are effective communication channels through which employees can air their views or ask questions and feedback can be provided quickly and effectively to ensure that their needs are met” (7, T-UE-N)

Furthermore, the operations manager highlighted the need for unambiguous job description and the need to communicate changes effectively to all employees in ample time and facilitate an effective support system:

“It is also HR's responsibility to ensure that job description is clear and not ambiguous and that the details are not monotonous. Changes occur within the organisation from time to time and it is HR's responsibility to ensure that everyone is carried along by communicating these changes before hand and to provide a support system when implementing them” (3, T-UE-N)

HR is involved in ensuring that business objectives are accomplished and keeping up with the changing demands of a marketplace and some of these changes could be political, legal, environmental or even structural adjustment within the company. According to the HR director:

“Changes are likely to occur from time to time whether from within the organisation or from without. The most important thing in the process of change is to be prepared for it. It is HR's responsibility to lead change and help employees understand why change is important and support them as much as possible to embrace change in any area, provided it is in line with organisational strategy” (8, T-UE-N)

Considering that there a number of factors that may affect the way in which changes are implemented, institutions could be a strong factor. The NCC creates some coercive pressures for T-UE. This institution helps to regulate the activities of companies in this sector

so that they are forced to comply with the NCC policies relating to this sector or face grave penalties if found wanting. For example, their competitor T-SA was fined N330 billion for not complying with set standards and procedure (Thisday, 2016). This is observed from the comments of the operations manager:

“The NCC is a very strong institution in the telecommunication sector in Nigeria and from time to time, they come up some specific policies and expect all concerned to implement this change. It is HR’s responsibility to communicate this with the HQ and find a strategy to accommodate the change in line with corporate strategies and avoid any sanctions or fines. Time is usually of essence in cases like this and this mounts a lot of pressure on the department. It is all about finding the right balance continuously and this may be challenging” (1, T-UE-N)

Due to the challenges associated with this role, the HR analyst noted that:

“It is important for HR to be trained as the right skills and expertise and also amplified clarity of job descriptions and company’s standard of operation is necessary to reduce possible cultural barrier. The change agents must possess essential competencies to manage change effectively and efficiently” (9, T-UE-N)

Building and sustaining employee morale is one of the responsibilities of the HR department and to ensure that an environment that encourages innovation and creativity is created and sustained for employees.

HR practices in the Nigerian Subsidiary

a. Staffing/ Recruitment and selection

Composition of the board and key executives

T-UE-N employs about 5,000 employees. T-UE-N has 10 persons on their board of directors (chairman, vice chairman and 8 directors). T-SA-N has 3 Nigerians and 7 expatriates (4 Emiratis, 2 British and 1 Indian). They have 7 key executives comprising of 4 Nigerians, 2 Emiratis and 1 British. They occupy different positions (see table 5.2 for details) interestingly, amongst other case companies, this company has more expatriates especially Emiratis than Nigerians owing to the fact that it is a state-owned enterprise which is reflective of an ethnocentric approach. Expatriates are appointed to fill in permanent positions for at least 3 years and appointed into key positions. Additionally, short-term expatriate assignments exist

for the period of 3 weeks to 36 weeks to bring in expatriates to work on specific projects within the subsidiary. In line with this, the training manager noted that:

“We value the expatriates in this subsidiary as they make an immense contribution towards the overall well-being of the company and have helped us by clarifying some areas that are quite technical with ease. Most of our employees that work closely with them have been able to learn so much from their wealth of experience. They have supported in developing potentials within the organisation” (2, T-UE-N)

Expatriates are used to transfer know-how; from time to time specialised teams come into the subsidiaries to support employees especially in specialised departments helping them to increase subsidiary staff capabilities this echoes the parent company's approach. The HR analyst noted that:

“Expatriates are mostly used by the HQ to transfer knowledge and as a mechanism of control. The investments made by the parent company in Nigeria are worth the attention.... the infrastructures, technology.... Expatriates are used to help HQ keep tab of the progress they are making. The Nigerian environment is quite competitive in this sector and it is imperative that we stay on top of our game... the expatriates bring in their knowledge where possible” (9, T-UE-N)

Table 5.2: T-UE-N Composition of the board and key executives

Board of Directors				Executive officers			
	Nationality	Educational Background	Experience		Nationality	Educational Background	Experience
Chairman	Emirati	BA Econs (Uk) PhD (UK)	T-UE Alcatel	CEO	British	BSc MA MBA	T-UE Ultra Mobile
Vice Chairman	Emirati	BSc MSc (USA)	T-UE Vodafone	Chief Financial officer	Emirati	BSc (USA) MBA (UK)	T-UE Airtel Telephonica
Director	Emirati	BSc (USA) MBA (UK)	T-UE BT	GM Technical	Nigerian	BTech MBA PhD (UK)	T-UE Lotum Google
Director	Emirati	BA MBA (UAE)	T-UE Alcatel	GM Information	Emirati	BSc M.SC (USA)	T-UE Airtel Globacom (Nig)
Director	British	BSc (UK) MBA (UK)	T-UE Telefonica BT	Head of HR	Nigerian	BSc (Finance) MBA-HR (UK) Associate member CIPD	T-UE Globacom (Nig)
Director	British	BCom LLB MBA (UK)	T-UE Acacia Communications	Marketing officer	Nigerian	BA (Econs) (Uk) MBA PhD (UK)	T-UE Airtel
Director	Indian	BCom (Acc) MBA Executive Leadership Development Programme	T-UE Airtel	GM Sales	Nigerian	BSc MBA PhD (USA)	T-UE American Wireless
Director	Nigerian	BEd MBA PhD	T-UE American Wireless				

Director	Nigerian	BSc(Nig) MA(Canada) MBA(USA)	T-UE Nexus
Director	Nigerian	BA (US) MSc MBA (France)	T-UE Dice Communications

Source: Developed for the study

T-UE-N's HR manager detailed this part of their strategy as one that is more localised than standardised with a lot of country specifications if required. Recruitment of staff is based on the organisation's need which has to be incorporated into the budget and must be agreed between management and HR. Department heads are encouraged to make requisitions early, if they need to fill vacant positions or risk making up internally after the budgets have been approved. The HR manager confirmed this stating that:

"Manpower plan is submitted to HR by all heads of department before the budget is approved. Deadlines are set and any department who fails to meet up with the deadline would have to make up internally till the budget permits" (4, T-UE-N)

The HR advisor also added that:

"Recruitment activities begin at the third quarter of the annual financial year and a manpower plan is developed to help guide recruitment activities and this plan is reviewed and brought-up-to-date quarterly reflecting changes, if any, in the requirements and how they are implemented" (7, T-UE-N)

There are also different staff categories in T-UE-N and the process of R&S is not the same for all categories. The first group are the entry level staff or what they call 'fresh hires'; they are graduates fresh from university/ institutions of higher learning and they possess little or no experience. The second level is the senior staff; they are referred to as 'experienced hires' because they are professionals and can be recruited into any level based on their skills and position. To support this further, the HR manager emphasised noted that:

"There are three classifications for staff members and every staff who that is recruited falls into one of the categories. They are: full-time employees, full-time expatriate employees and secondees. The full-time employees work business hours and overtime and are given full wages and benefits based on their level; the second category is on a fixed-term contract and work business hours or as may be required by the company. They are paid based on the terms of their contract. And the third classification are employees from the HQ or any of our subsidiaries who is on a temporary assignment in Nigeria" (4, T-UE-N)

T-UE-N adopts different approaches to the recruitment of the various levels of employees. T-UE-N adopts a standard online system for the first category. They prefer the submission of CVs tailored to the job advertised on the company's website, other recruitment websites, newspapers and referrals from existing staff members for which they get a bonus. Full-time expatriates are recruited by the HQ; the subsidiaries are not involved in this. Recruitment for

the different categories could be challenging as there could be some overlap. Whilst discussing this with the operations manager, he noted that:

“I have been working with the HQ prior to the establishment of the Nigerian subsidiary and one year after the company started its operation in Nigeria, I was asked to come to Nigeria temporarily and I got married here; unfortunately, at the time, my wife was also working with the company although in another state in Nigeria and when that was discovered, we were confronted with a decision for one of us to leave the company as this was a strong policy: parents, children, husband and wife whether on a temporary or permanent assignment are not allowed to work in the same company. This was not the practice on my previous job where it was okay to employ family members but not in the same department” (3, T-UE-N)

The system is the same as in the UAE although with some modifications. T-UE-N partners with the National Youth Service Corps (NYSC) scheme. This is a scheme designed by the Nigerian government to help the country's graduates gain one year experience in any organisation. T-UE CO already has a pool of university/polytechnic graduates to recruit from. This recruitment is done in different NYSC camps in different states in Nigeria. The head of the IT services noted that:

“Previously, the recruitment for all positions was done internally, but recently, it is partially outsourced except for the top management staff. It was fully done by the company, but recently some aspects of it are still outsourced. For example, the call centres recruitment is outsourced, while the managerial positions are still within the company. It is done electronically, it depends on the position you are going for, and we have two portals, the internal and the external portal... the internal is strictly for T-UE-N staff, while the external is open to everybody. If you meet the criteria, then you will be called up for an interview. If it is internal, an email or a text message will be sent out. The process is taken care of by HR” (6, T-UE-N)

The HR manager further added that:

“It is important for T-UE Co to partner with the NYSC scheme. This gives us an opportunity to recruit people who are best suited for the job with the right qualification. Most times, some of them are retained after their service year depending on how best they perform” (4, T-UE-N)

Another thing that was noted during the interview was that the Nigerian investors had a quota for prospective candidates. This is not something that is discussed openly and the details of the arrangement are quite vague. The HR director noted that:

“T-UE-N tries to maintain the investments of the Nigerian investors... not just their investments, but most importantly, their connections as this can help to facilitate business and also ‘open some doors’ politically. The investors are allocated some slots to bring in their qualified candidates to work in T-UE-N” (8, T-UE-N)

This practice is not stated in the employee manual and may be uniquely linked to the Nigerian market.

Selection

As for the selection of employees, there were requirements for screening and selection. They are: relevant degree, in some cases, professional certification and qualification may be required, the NYSC certificate or an exemption letter if excluded from the scheme for any reason. The process is quite standard and the criteria are different for different levels; additional requirements may be demanded at the discretion of the panellists which comprises of managers, functional line manager, chief HR officer and any other manager nominated from the relevant department.

There are different levels in the selection of the candidates and all candidates are expected to undergo at least two selection stages which include: staff assessment, analyst assessment centre, structured interview, specialist assessment and then finally, higher level executive interview. Any member of staff who is known to the interviewee will be withdrawn from the interview process. After the interview process, the final list is drawn up by HR. the selection process is different for top managers. One of the selection processes used for top managers was detailed by the HR manager:

“Technical and psychometric test are used for the selection for managerial positions. They are also put in different scenarios... especially crisis scenarios made to look real to see how they perform and work under pressure. Most times, they are hired immediately pending how they perform. The HQ is involved in the final selection of employees for managerial positions. Reference check is taken seriously. For other levels, they go through computer- based tests followed by an interview with the line manager and a representation from HR and when successful, this is followed by a meeting with top management” (4, T-UE-N)

After the selection process, the successful candidates are asked to do some medical examinations at the company's approved hospital and medical certificates are provided, references are verified and then employment letters issued; however, the employee would need to undergo a six month probation period before the employment is confirmed.

According to the HR manager,

"It is the responsibility of HR to ensure that the policies are reviewed and modified from time to time in line with the environmental changes, internal requirements and government regulations; however, all amendments must be approved by the board"
(4, T-UE-N)

The selection criteria follow HQ's specification, except for the provision of the NYSC certificate or an exemption letter which is purely a practice in Nigeria.

b. Training and development

T-UE-N's has a healthy T&D culture and every staff within the company are trained from time to time. The training programmes are tailored to suit different departments following a Training Needs Analysis (TNA) of staff by line managers. Relevant training courses and development programmes are approved based on the TNA and the programmes must be completed within a given time frame following the approved budget. This is detailed in the HR manager's comment below.

"As a matter of policy, we carry out training needs analysis annually with relevant line managers after the annual appraisal is completed to help identify gaps in current skills and help bridge the gap. It is HR's responsibility to collate a training needs assessment report. With this, the department can successfully approve relevant development courses with timelines and all this should be completed before the beginning of the financial year so that the budget can be approved and budget over-run avoided. This is done by indicating the actual and potential budget over-run" (4, T-UE-N)

The training manager added that:

"T-UE-N also designs a comprehensive training and orientation programme for all new staff to ensure that they understand the professional standards and policy of the organisation. The trainings within the faculty are coordinated by HR. All employees

are entitled to a minimum of three trainings per year, except for employees whose roles require multiple trainings to increase job performance. Some of the trainings were web-based and distant learning programmes” (2, T-UE-N)

The trainings are conducted annually following the annual appraisal cycle. The gaps are identified and then relevant training exercises are designed to fill the gaps. It is the responsibility of HR to collate the development needs for employees and compile a training needs assessment report (TNA).

The operations manager also stated that

“It is not enough to design training programmes; the implementation is equally important. It is the responsibility of HR to ensure that development programmes are in line with the approved development plan. All trainings are not done internally, but could be outsourced to organisations with necessary expertise” (1, T-UE-N)

HR is responsible for the planning and implementing training, including scheduling timelines and this is done at the start of the financial year. The training plan must be in line with the approved TNA reports and in line with approved budget. The company spends an average of nearly N40,000,000, invested in training which is an equivalent of US\$195,000 and this has been increasing annually. There was a 25% increase from last year. Every employee is entitled to at least 7 to 14 days of training annually and this demonstrates the importance of training to the parent company as this is an important part of their strategy. The training manager pointed out that:

“This is an important part of our strategy. Training and development of our staff takes about 3% of our expenses. A compulsory comprehensive induction and orientation programme is designed for our new employees and this is coordinated by HR (training) and this is done internally and from this stage we begin to emphasise professional standards” (2, T-UE-N)

The training budget is not decided by the subsidiary's HR department alone; the finance department and some members of the top management are involved in making a decision regarding this, but not without the approval of the HR department at the HQ. The finance analyst further explained that:

“The decision on the budget is not done by a single department but a unanimous decision made by some members' of the management, finance personnel, and HR personnel at the subsidiary, but cannot be implemented without the approval

of HR at the parent company. Even though training is an important policy, it has to be done within the budget limit as specified by the parent company. It is also important for the departments involved to come up with trainings that are cost effective". (5, T-UE-N)

The financial manager also noted that in order to ensure that T-UE-N trainings are cost effective, certain measures were put in place. To reduce the concerns associated with training employees and retaining skilled employees, employees are made to sign a contract as a precautionary measure and for T-UE-N to curb seeing their benefits transferred to their competitors. The training manager further noted that:

"After training, staff members are obliged to remain in the organisation for a certain period so that they can benefit from the investment made or they risk reimbursing the T-UE-N of all expenses incurred during training. Cost for training ranges from travel allowance, course fees, accommodation and so on. Voluntary refusal to attend any training could lead to disciplinary action being meted. At least a two-week notice should be given if training would not be attended for whatever reason" (5, T-UE-N)

Trainings for various categories of staff are different and also for different levels and positions. This is quite similar to the practice at the HQ. There were standard trainings for all employees within the company, for example, health and safety training. The top managers are given more intensive trainings due to the nature of their jobs. For example: crisis management and leadership training. According to the expatriate HR advisor:

"Training and development are different for all levels of staff. The managerial staff from day to day manages more complex and challenging responsibilities and they require more training... trainings ranging from leadership skills to crisis management and so on. Most of these trainings are done overseas and this enables employees at that level to build network and enhance information sharing. Although we have some standard training which everyone is expected to undertake irrespective of their positions and levels... for example, safety course". (7, T-UE-N)

Trainings are conducted internally and externally using different tools such as: videos, teleconferencing and telepresence. Internally, a standard software and the tools previously mentioned are used by T-UE and all employees are granted access. Trainings are tailored to suit individual employee's needs. In addition to this, T-UE-N has a training unit that oversees all training at the subsidiary level. However, top management go overseas (mostly HQ) for short courses. Overseas training helps to bring managers, technicians and departmental

heads of different subsidiaries together to share ideas and information together, hence providing them with an opportunity to learn from each other. Trainings are structured based on staff ability and performance and how these trainings are implemented is shaped by HQ policy to a large extent. They provide guidance on the job specifications, competences and skills required. The HR manager pointed out that:

“Even though the subsidiaries are saddled with the responsibility of making decisions regarding what trainings to implement, they still need to bear in mind the HQ requirement for the job. The subsidiary’s training and development is subtly influenced this way” (4, T-UE-N)

By the way, the HQ gradually transfers some practices through staff visits and exchange programmes from the parent company. For instance, the HR advisor has been with T-UE-N since they started their operations in Nigeria and she has been instrumental to helping the subsidiary in adjusting their programmes in line with the requirements. Additionally, training experts from the HQ liaise with the subsidiary’s HR training department to ensure that training needs are identified and the appropriate training is implemented. The training manager pointed out that:

“Specialists from the PC are quite knowledgeable as to how things work in the company and they have a wealth of experience and expertise. They are used to transfer know-how. They have also helped us in setting up some tools which would help us increase efficiency. They come around from time to time to support us as we design our training courses; drawing our attention to some loose ends and guiding us through the changes”. (2, T-UE-N)

Overall, T-UE adopts a standard approach towards training at their Nigerian subsidiary except for some areas where certain adjustments have to be made, for example, content of the training. The HR analyst noted that:

“Due to the nature of the industry in Nigeria and constant modification to the regulations by the Nigerian Communication Commission (NCC), we are constantly modifying the content of our training module to deal with matters arising and to prepare our employees well enough to handle the dynamic industry and that they understand the implication of non-compliance” (9, T-UE-N)

c. Performance appraisal

T-UE-N has a standard performance appraisal system globally. A high performance culture exists in T-UE-N. The HR manager noted that:

“The purpose of T-UE Co’s performance management policy is to ensure that a formal framework exists for measuring and reporting individual/team performance against corporate strategies. At the beginning of the financial year, clear targets are set for both for employees in line with the corporate strategies; whilst this is done, an open dialogue is encouraged between line managers and teams through which collaborative objectives are set” (4, T-UE-N)

The training manager further added that:

“Employees development plans are aligned with their performance for the financial year usually January to December. Individual objectives are streamlined from relevant departmental objectives and aligned to organisation’s objective... performance for new staff is based on set objectives and KPIs for the financial year. HR is responsible for coordinating all appraisal exercise in T-UE-N” (2, T-UE-N)

PA is an important policy in the company which involves all members of staff. It is implemented twice annually. The essence of PA is not only to reward consistent and exceptional performance, but also to create an environment which presents a suitable level of challenges to make certain that staff members perform optimally.

According to the HR manager:

“The essence of having a policy on this is to ensure that a framework is well articulated to help measure and report the performance of individuals and teams in line with the corporate targets for the period. The policy also helps to encourage dialogue among line managers and subordinates via collaborative objectives and target setting” (3, T-UE-N)

The performance cycle is completed annually from January to December and a target(s) is set at the beginning of every financial year and is a basis on which staff performance is assessed. Individual objectives are drawn from departmental objectives which have to be in line with the company wide objectives. All collated objectives are submitted to HR on the last day in February each year.

“The organisational objectives flow from the top management and this is seen in the performance targets of individual employees and the targets possess a SMART attribute. Performance objectives are usually reviewed in June-July to make sure that it is still relevant and appropriate in view of the defined objectives” (7, T-UE-N)

Performance in T-UE-N is measured in three different parts and they are based on individual, departmental and corporate performance, benchmarked against set target for the different parts. These areas are also closely monitored. The training manager commented on this:

“Even though we have formal appraisal sessions in the mid-year and at the end, supervisors and line managers still have in place ongoing informal sessions with their subordinates to provide them with feedback on their performance, share some ideas and also to review learning points to enhance performance” (2, T-UE-N)

The financial analyst added that:

“Annually, PA is done twice; one in the mid-year and the other year-end. The PA cycle begins with detailed timelines and activities sent out by all staff and line managers and supervisors. Performance is benchmarked against targets set in individual, functional and corporate areas. Performance is monitored informally whilst providing feedback from time to time and they are documented for future references and signed off by the staff and line managers and then it is submitted to HR... the outcome of the performance process influences compensation, training and development and career development.” (5, T-UE-N)

The outcomes of performance are also communicated during individual staff evaluation sessions. Upon the completion of the process of appraisal, it is useful in determining compensation, training, career and capacity development and an appraisal rating is used during this process (see table 5.3). According to the HR manager:

“The onus is on the line managers and supervisors to collate the moderated ratings and submit to HR. the rating ranges from excellent to poor and any score falling below 60% is in the ‘red zone’. Effective communication must take place prior to the announcement of employees with merit by the management. However, everybody within the organisation has a role to play... from the job holder to the department or unit head to the HR department to supervisors and line managers. All hands are on deck to ensure accurate performance appraisal process implementation in line with the standards of the organisation” (4, T-UE-N)

Table 5.3: Appraisal Rating Scale

Excellent	Commendable	Good	Fairly good	Poor
90-100%	80-89%	70-79%	60-69%	≤59%

In the event of unacceptable performance, the company has a framework to deal with this in a prompt and effective manner. They have designed three main stages to that effect; the enquiry phase, meeting and review. A decision is made if standards are met and if not HR decides what to do. The HR advisor commented on this noting that:

“There are three steps in handling cases of unacceptable performance so as to ensure that the application of the policy is uniform and consistent. The first step is an informal performance enquiry; this requires a meeting of the staff with the line manager to ascertain the reason for poor performance and proffer a solution in collaboration with the employee setting targets to monitor subsequent performance within a time frame. If the performance is not improved after the preliminary time frame, an extension of about 4-6 weeks is implemented. If it is still below standard, the performance team is involved, stating the issue and actions that has been implemented. This leads to the second step, which is a performance meeting organised by HR inviting the line manager, employee and HR where a new performance plan is set up for a 90-Day duration. The staff is provided with adequate support and training to improve work standards. The third step is a final Performance review meeting to review the progress so far, in order to reach a decision as to whether the standards have been met and if not HR will agree on the next step” (7, T-UE-N)

This policy is standardised and follows HQ’s specification so as to maintain standard and consistency.

d. Compensation and benefits

T-UE-N has a policy of pay for performance and HR is responsible for developing consistent and competitive salary structure. Employees’ salary is based on terms of contract, terms of agreement on the offer letter, the standard of living and local market conditions. The HR manager noted that:

“Compensation is linked to job description of the employee, the level of education and experience. The level of compensation is based on the position and its importance to the Nigerian market and the intensity of the competition. There are different categories of employees and they all have different compensation plans. Skilled workers earn more due to the intensity of the competition than non-skilled workers”. (4, T-UE-N)

In order to retain the employees with best skills, the organisation must ensure that their pay structure is competitive as competition is quite stiff in this sector. The company tries to balance the expectation of the HQ and the limitations of local institutions. T-UE-N attempts to maintain a certain standard whilst considering the market, tax system, laws and competition. T-UE-N complies with government regulation on compensation; thus this policy is tailored to the Nigerian market. The financial analyst and HR director noted that:

“Previously, our salary was designed based on the HQ rate. When T-UE-N first came into Nigeria, employees were paid in dollars just as it is in the HQ, but they observed that companies in the same sector paid less than they did... they pay based on the cost of living. The benefits are tailored to suit the local market. For example, we have things like generator allowance, NYSC allowance etc. T-UE-N by all means exceeds the local rate set according to the labour law”. (7. T-UE-N)

“Payroll is in charge of processing employees’ salaries via payroll system and all statutory remittances stipulated by the Nigerian government are deducted. For example: tax, pension etc” (8, T-UE-N)

Albeit, the HQ have their view regarding compensation; for instance, pay for performance, which is implemented across all subsidiaries, though with some modifications to the host market and to keep up with the competition. According to the HR manager:

“T-UE-N from time to time promote staff especially those with high potentials within the company and this is based on performance and how well they have contributed to the success of the company and it is not based on seniority. We have a point system in place which helps to identify eligible candidates for promotion. It takes a maximum score of 15 points to be considered for a higher role if one is available” (4, T-UE-N)

Consequently, this system ensures that unusually skilled employees are identified and considered for career promotion in a short time. This suggests a correlation between

performance appraisal system and promotion and could be linked to career progression. The training manager commented on this, noting that:

“Identifying employees with high potentials helps us to put in place an effective career plan which would enhance and sustain a succession plan” (2, T-UE-N)

To ensure uniformity across board, the parent company has put in place a scheme which is based on percentages to help encourage employees to improve on their performance. There is a fixed monthly bonus of 10% for all categories of employees and 25%–55% for senior managers based on organisational performance and then a quarterly bonus of about 25% which is determined by line managers based on individual performance. The HR manager noted that:

“This scheme was implemented to help motivate staff improve their performance and to ensure consistency at all levels. This is also consistent with the parent company’s compensation and benefits policy which is based on results. Incentives are offered to our employees for improved customer service and productivity” (2, T-UE-N)

The reward, benefit and incentive policy as it is called in T-UE-N details everything from leave administration, medical assistance, promotions, job upgrade, recognition and incentives. This is done in order to eliminate any misunderstandings.

e. Employee communication and consultation

The method of communication in T-UE-N is structured. All employees have access to the central portal system where information is passed on. For instance, the operations manager stated that:

“T-UE-N has a portal system which is accessible to all employees. This system can only be accessed using a password. Every employees whose employment has been confirmed is given a user name and password. This is generated by our IT department. Employees communicate internally using this in sending emails and memos. Employees also have access to the policies. New employees are expected to familiarise themselves with the portal as this is the first training they are expected to complete and this is crucial. Information from top–down is passed on using this means. Employees are expected to check the portal for any updates” (1, T-UE-N)

Information regarding all policies are found on the portal. Apart from this, communication is enhanced through emails, bi-monthly newsletters, regular weekly staff meetings in different departments involving managers/ supervisors and staff and meeting between top management and employees held at the start of every week to ensure that employees are working in line with organisational set goals. One of the things that I observed when visiting the company is that each department displays the goals for the week on the department board each week and employees affirmed that this has been a helpful reminder to stay on track.

For instance, the operations manager noted that:

"From time to time, meetings are held with departmental heads to review the health and safety standards of the organisation. Weekly meetings are held to discuss the issues and ensure that standards are maintained. Also, communications exist between different departments. We also inform all departments of any technical or operational issues via email to ensure that everyone is carried along, this way it is easy to reach everyone" (3, T-UE-N)

Communication is open and transparent. The company encourages a two-way communication at all levels which helps to improve communication. Employees are encouraged to communicate with senior management openly. According to the HR manager:

"We have an open door policy. Employees are free to communicate their thoughts and views with senior managers. The senior managers grant employees audience and they are willing to accept criticism as well. They are also willing to delegate responsibilities" (4, T-UE-N)

Generally, the organisation provides information to employees on key issues relating to changes in benefits, health and safety and work conditions. Nevertheless, no form of employee representation is allowed in T-UE-N. The reason for this is that it is a parent company policy and they are very strict on this. It is categorically stated in their handbook that *"No employee should be involved in any form of employee representation.... It is not allowed... Doing this is going against company's policy"*. The HR advisor noted that:

"No form of employee representation exists in this company and all employees are aware of this. We have also discussed this extensively during our staff meetings and no issue has arisen as a result of this... I think everyone is comfortable with this and understand that the union does not play any role in this organisation" (7, T-UE-N)

There is an established trade union in Nigeria for the telecommunication sector known as National Union of Postal and Telecommunication Workers (NUPTW). However, employees in the private sector are not allowed to be a part of this. He gave me an insider's view on this. Initially, he did not want this statement included but he was reminded of the anonymity clause and he agreed. He noted that:

"Employees in T-UE-N and other organisations within this sector are not benefitting from not being involved in union activities.... well, I don't blame them as they have signed the dotted lines. Some employees are not treated with fairness and I have witnessed cases where the T-UE-N deliberately breaches labour laws... even policies that are never tolerated in their home countries. It is sad because as a matter of policy employees are refrained from participating in union activities. Considering the level of unemployment in Nigeria... common sense warns to tread carefully. This is rather unfortunate" (8, T-UE-N)

5.5 Conclusion

This chapter sought to detail all that was found out during the interviews about T-UE-N regarding the nature of their HR practices, the nature and process of integrating HRM policies and practices into the subsidiary and the role of HR in facilitating the transfer.

The structure and role of the HR department was also considered. In doing this, the administrative expertise of the HR department, a very important factor in the execution of HR policies across all the departments, was highlighted. The role of HR is quite strategic as HR director is represented on the executive board of the company. Also, the HR practices investigated are: recruitment and selection; training and development; performance management; compensation and benefits; and employee communication and consultation.

In general, the findings revealed that some practices were standardised (PA, T&D, communication) and others localised (R&S, compensation and benefit). There were certain factors that shape the nature of the transfer of the HR practices (further detail provided in the analysis section). These factors include the HQ orientation/ approach towards overseas management of HR resources, industry characteristics, institutional factors and management style.

CHAPTER SIX: B-SA CO

6.1 Introduction

Chapter six describes the third case study, which relates to the financial company B-SA-Co (B-SA). The findings of the case are reported by firstly, providing information about the profiles of the parent company and the Nigerian subsidiary. This is followed by outlining the structure and role of the subsidiary's HR, reported in three main sections: the profile of the company, selected HRM practices applied in Nigeria which include: recruitment and selection, compensation and benefits, training and development, performance appraisal and employee consultation. Following this is the process of transfer from the PC to the HC and the role of HR. Finally, the conclusion ties up all the key points that emerge from the case study.

6.2 Company Profile

This section provides brief background information about the parent company and the Nigerian subsidiary. Then it moves to describing the parent company's approach to the management of its subsidiaries across borders.

The Parent Company

B-SA is a leading South African MNC operating in the financial sector with about 68,000 employees worldwide. They started their global operations in 1862 and now have subsidiaries in 33 countries (20 in Africa and 13 outside Africa). They offer services in Africa, Europe, USA, the Middle East and some Asian countries, with the HQ in Johannesburg, South Africa. B-SA is listed on the Johannesburg Stock Exchange (JSE). The banking division, which is the largest division, represents one out of nine business divisions established by the group. B-SA adopts a matrix structure, which combines the advantages of area and product structures and adopts a global strategy.

They have large clusters of operation in countries such as the USA, China and the United Kingdom. In addition, they are well established in some African countries: Namibia, Mozambique, Congo, Ghana, and others. B-SA has a renowned track record in wealth management and long-standing organisational values in protecting and improving the wealth of their customers.

The services they offer include: lending, life insurance, wealth management, offshore banking and instalment sale services; debit and credit card services are also offered as well.

These products are delivered through various transaction channels such as ATMs, internet and telephone banking, bank deposits etc. They also offer financial, risk assessment, and trading advice to their clients.

B-SA have 10 persons on their board of directors (3 executives which includes the chief executive officer, financial director, chief operating officer and 8 non-executives which includes the chairman, 2 deputy chairmen, 2 non-executive directors, 4 independent non-executive directors) and 9 executive officers (4 Nigerians, 2 British and 3 Singaporean) (see table 6.1 for details).

Table 6.1: B-SA Composition of the board of directors

Board of Directors				Executive officers			
	Nationality	Educational Background	Experience		Nationality	Educational Background	Experience
Chairman*	South African	BSc MA, MPhil (UK)	B-SA RBS (UK) Citibank	CEO*	South African	BSc MA, MPhil	B-SA RBS (UK) Citibank
Deputy Chairman	South African	BA MBA (USA)	B-SA Google	Deputy CEO	South African	BA MBA	B-SA Deloitte
Director	South African	BA (Hons) MSc PhD	B-SA Citibank Microsoft	Chief Financial Officer	South African	BSc (SA) MSc (UK)	B-SA KPMG Fidelity Bank
Director	South African	BSc and MSc (UK) Member-CIBN Institute of Risk Management (UK and Nigeria)	B-SA Citibank UK	Chief Operating Officer	British	BA (UK) MBA (UK) PhD (UK)	B-SA Lloyds Bank Barclays
Director	Nigerian	BSc and MA (Nigeria) MBS (UK)	B-SA Citibank	Chief Risk Officer	British	BA (Hons) MSc PhD	B-SA Google
Director	South African	BA (UK) MBA (UK)	B-SA KPMG Citibank Deloitte	Head of HR	British	BSc MBA (UK) Associate member (CIPD)	B-SA Exxon Mobile Chevron

Director	Nigerian	BSc (Australia) MSc (USA) Chartered Accountants of Nigeria (ICAN) Chartered Institute of Taxation of Nigeria (CITN)	B-SA KPMG Zenith Bank	Marketing / Communication Officer	British	BSc MBA (UK) PhD	B-SA Citibank HSBC
Director	Canadian	BA (Canada) MBA (UK) PhD (Canada)	B-SA Deloitte Barclays	Regional GM Sales	South African	BSc (UK) MBA (UK)	B-SA HSBC Citibank
Director	Ghanaian	BA (Hons) MSc PhD	B-SP-N Google Microsoft	Head Internal Audit	South African	BSc (UK) MBA (UK)	B-SA KPMG
Director	Indian	BSc MBA (UK) Fellow-CIPM Associate member-CIBN	B-SP-N Lloyds Bank Cadbury				

Source: Developed for the study

The Nigerian Subsidiary

The Nigerian subsidiary (B-SA-N) operates mainly in the banking sector, and started up in 1989. By 2016 it has more than 190 branches in 36 states of Nigeria in addition to their online banking services. The subsidiary started off as a merger with their Nigerian counterpart. B-SA has 66.7% controlling share and 33.3% is owned by a Nigerian indigenous bank. Their services cater for three main areas: individual and commercial banking, investment banking and wealth management. B-SA-N has one of the largest market shares in the African region (company website)

6.3 Headquarters–Subsidiary Relationship

The HQ implements a standardised approach towards the management of B-SA-N. They try to implement best practices across their subsidiaries globally due to the nature of their subsidiary. These best practices include: performance appraisal, training and development, career management, top management recruitment and communication. Nevertheless, some practices (compensation and benefits and recruitment and selection) are adapted depending on the country, but the core areas or policies remain the same as that of the HQ. For example, the HR advisor explained:

“Due to the peculiarity of different countries, their operations are likely to differ significantly and this needs careful consideration especially in enforcing some policies. We understand that there are core policies that the organisation would not want to part with so as to maintain the standards of the parent company. For example, some policies are adapted without losing the vital aspects of it” (4, B-SA-N)

Generally, company-wide policies are implemented in its subsidiaries across borders and the subsidiaries are provided with a written outline as guidance on how to modify it. The subsidiaries do not have the autonomy to change the guidelines stipulated without the consent of the HQ. The financial controller noted that:

“The onus is on the top management to follow through with the guidelines stipulated by the head office. For example, the finance department has to follow through with the same accounting and reporting standard to ensure that the reports are consistent with other subsidiaries and also to avoid misinterpretation” (6, B-SA-N)

Hence, B-SA ensures that core HR policies are applied in their subsidiaries across borders in the areas of recruitment of top management, performance management, training and

development, employee communication and consultation. The HR grievance and compliance officer further pointed out that:

“In the course of my transfers to different countries, I have experienced that every country has got unique differences and this is considered in implementing HR policies; however, in doing so, the core standards are not compromised...because they cannot afford to compromise the core of the business success” (5, B-SA-N)

According to HR analyst, the MNC's approach towards subsidiary management is centralised and a variation of mechanisms are used to coordinate this. Generally, there is a general manual and the employee portal is used by all employees in all subsidiaries and it outlines everything with respect to HR policies and practices including the code of conduct, although they are tailored to individual subsidiaries bearing in mind their unique differences; meanwhile, the company's core policies are not tampered with.

Coordination and control mechanism

As for the coordination process of B-SA-N, from the interviews conducted in B-SA-N, it revealed that a centralisation-based mechanism is used in areas that centres on financial compensation and the content in training and development in relation to other practices (recruitment and selection). The HQ largely coordinates pay structure and bonuses. Salaries for top management are also decided by the HQ. The financial controller confirmed this stating that:

“The corporate headquarters to a large extent specify the pay structure and bonuses. Any change that must be made in terms of the salaries has to be approved by the head office before they are implemented. In terms of the recruitment and selection policy, adaptations are possible although limited to some extent to what is obtainable from the West African region. The top management salaries are reported to the head office (HR Manager). A percentage of the bonuses are also decided by them”. (6, B-SA-N)

B-SA-N can make some modification to some aspects of the performance management system but with clear specification from the HQ. For the changes to be implemented successfully, they must communicate the changes early and the timelines for implementation as well. The financial analyst confirmed this stating that:

“We adhere to some specifications provided by the HQ for performance appraisal. Modifications cannot be made without the total approval from the HQ... they don't

like surprises. They need to be aware of any changes and also timelines are very important to them to ensure uniformity of the process” (3, B-SA-N)

In addition, a direct reporting system has been established by the HQ. Therefore, the subsidiary HR is expected to submit monthly reports to the HQ on different issues. This is seen from the responses of the HR manager, operations manager and finance analyst. Their responses revealed that HR collected information on issues such as pay increment, management pay, general labour costs and productivity. The operations manager noted that:

“Information regarding performance evaluation is collected from the subsidiary and is compared with other subsidiaries globally to see how they are performing” (9, B-SA-N)

In addition, the HR manager pointed out:

“Annual meetings are also held towards the end of August every year where information is shared regarding policies and guidelines and also it is an opportunity to encourage networking. Ideas are discussed in every department; this is integrated with the different departments of the HQ and from time to time, we discuss with them on issues we maybe encountering in the departments and liaising with them to solve the problems” (1, B-SA-N)

Another form of control is the organisational culture. Annually, the HQ takes an anonymous survey from the employees to see how the subsidiaries are performing and this is conducted worldwide by various demographics, markets and departments. The whole essence of this is to decipher the health status of the organisation based on the key indicators.

The employee portal is another control mechanism as this is an efficient tool that guides employees on how to operate and it is well structured to ensure compliance. The code of conduct is also uploaded here to ensure that all employees, especially new hires, have access to it and must review it from time to time so that they do not forget. There are frequent routine visits of the HQ staff to the subsidiary from time to time and vice versa for the purpose of training (conferences and seminars)

“The visits which are supported by attending frequent seminars and conferences are held for all subsidiary managers in different departments. For example: HR, Information technology, and finance. The meetings and trainings are organized to share some information and also best practice. This meeting also encourages productive networking where we get to share our experiences with other experts from

other subsidiaries and for me personally I always look forward to these events every year” (10, B-SA-N)

6.4 The Nature of HR Practices in the Nigerian Subsidiary

This section begins by discussing the structure and the role of the HR department. This is followed by an examination of the HRM policies in the following areas: staffing/ recruitment and selection; training and development; performance appraisal; compensation and benefits; and employee communication and consultation.

The structure and role of the HR department

The subsidiary HR department consists of five different sections: resourcing; remuneration/ payroll; learning and development; performance/ promotion and grievance/compliance. This is summarised in figure 6.1. Each section is overseen by officers and they all report to the HR manager who reports to the corporate HR twice a year. B-SA-N’s HR department employs 102 persons.

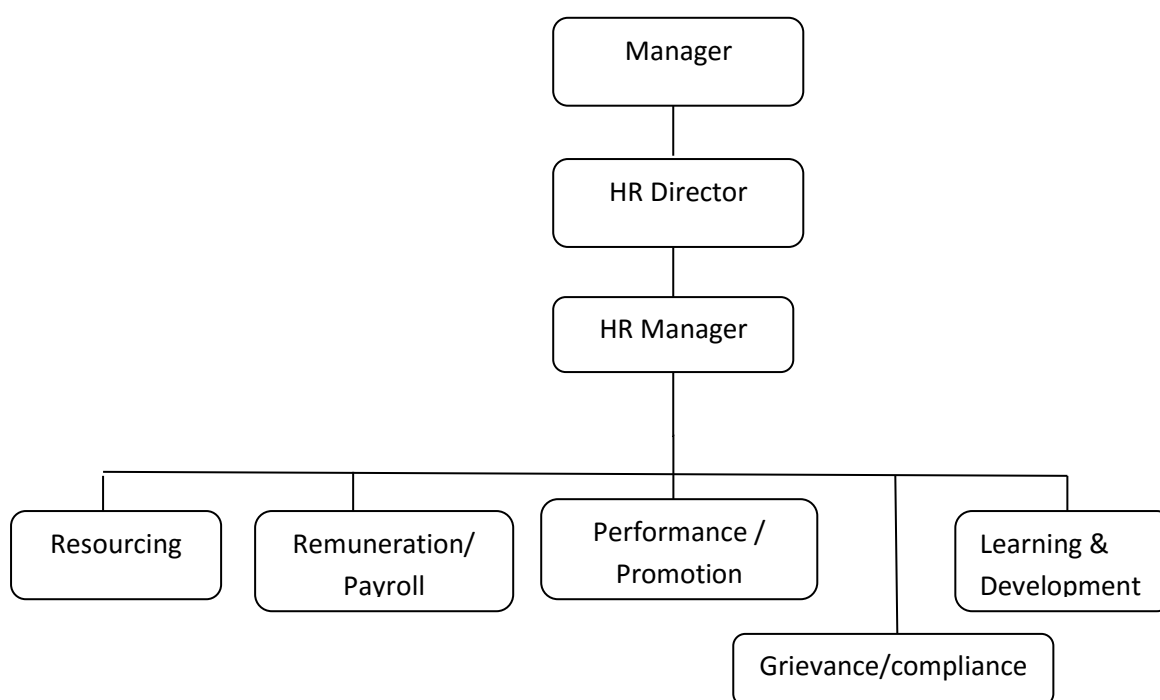


Figure 6.1: B-SA-N Structure of HR department

The HR director is a Nigerian and is a board member and that is why it is strategic role. The HR department is responsible to ensure that organisational high work performance culture is taken on by emphasising increased T&D and standard appraisal structure and this highlights

the strategic role in facilitating transfer of practices (expanded on whilst discussing HR practices); this may not be automatic and may be challenging considering differences in institutions: the central bank regulates the activities of B-SA and sometimes may be unfavourable; despite this, it is obtainable. The HR grievance and compliance officer noted that:

“Being a part of this organisation for almost a decade, permit me to say that adherence to the company’s policies is not automatic and there is the need to take a gradual yet consistent approach to prepare employees to embrace our practices. This has proved challenging but over the years it has become better as a majority of our employees have come to finally embrace it. We have come a long way indeed but it’s all worth it”. (5, B-SA-N)

The role of HR in B-SA is more of a strategic one than low-level management. The structure of the sub-unit reflects this, which indicates its strategic position. HR is constantly involved in making major contributions towards developing and executing the company’s strategy. According to the manager:

“HR is well represented on the board of directors and they are involved in making strategic decisions for the company. They participate in the process of defining business strategies and applying it in the HR activities”. (2, B-SA-N)

In addition, the HR advisor added that:

“HR is a part of the whole organisation’s strategic plan. It is important for HR to understand ways to accomplish this within the budget and putting in place a plan to ensure that other department’s strategies supports that overall corporate strategy. The most important thing is that standards are not compromised in any way. Therefore, we train our employees from time to time to ensure that they understand how we think and why we think in a certain way.... I must say that we have encountered problems in trying to achieve this but we had to find a solution and keep improving”. (4, B-SA-N)

B-SA’s HR department supports employees and the organisation in adapting to change and future challenges. This is communicated from the start via channels like the help desks, intranets and in-house meetings and an international support team is also set up in different countries to help support employees. The HR generalist noted:

“Internally, we have a team in HR in connection with our HQ that has an international team in place to help support employees in different countries on the need for change and implementing change. HR has set up effective communication channels such as help desks, intranet... and others to assist employees with cope with the challenges of implementing change”. (8, B-SA-N)

The HR advisor added that:

“In order to minimise the challenges in implementing and sustaining change, HR also coordinate continuous learning... we do this by structuring some training programmes before change is implemented. This is to prepare employees for the likely changes and to assess the extent to which these changes are embraced” (4, B-SA-N)

B-SA-N's HR department minimises the challenges associated with implementing and sustaining change by providing employees with continuous learning before and during the process. This ensures that employees are better prepared to embrace change rather than being overwhelmed by it.

HR collaborates with line managers to ensure that certain HR practices are well implemented. The line managers are given certain responsibilities as they are directly involved with the employees on a day to day basis and some of the processes within are created to support decentralisation. The HR manager noted that:

“Line managers are given some responsibilities to ensure that HR focuses more on imminent strategic issues. That notwithstanding, HR supports the line managers to ensure that the responsibilities are carried out successfully and effectively” (1, B-SA-N)

It is the responsibility of line managers to ensure that objectives are met and this is facilitated via budget controls supported by an accounting system. Section heads are responsible for their budgets.

Also, line managers are also involved in ensuring that day to day tasks are well executed and support HR managers in the implementation of some HR policies such as: R&S, performance appraisal and career planning. They are involved in the process of R&S to ensure its successful implementation. The HR advisor noted:

“Line managers are duly involved in the process of R&S especially if they are directly involved with concerned departments. This helps to speed up the entire process and lead to effective results eventually” (4, B-UE-N)

It is also the responsibility of line managers to monitor regularly the performance of members of their team. The head of IT services noted that:

“They set objectives with them and follow through; peradventure anyone is struggling and adequate support can be provided where need be” (10, B-SA-N)

HR practices in the Nigerian Subsidiary

a. Staffing/ Recruitment and selection

Composition of the board under staffing

B-SA-N employs about 2,000 employees. B-SA-N has 6 persons on their board of directors which includes: 4 Nigerians and 2 expatriates (British and South African). They have 11 key executives comprising of 7 Nigerians, 1 British and 3 South Africans. They occupy different positions (see table 6.2 for details). Expatriates appointed as executives are appointed for at least 30 months (2.5 years). In addition, there are at least 30 short-term expatriate assignments monthly which could last from a week to about 36 weeks to work on specific projects within the organisation. The regional manager noted that:

“Expatriates are an important part of the organisation. They provide valuable advice on specific issues that may prove difficult and is challenging. Overall, we have 6 expatriates in key positions and currently about 15 technical expatriates who has been assigned by HQ for a project which will be completed in the next 2 months” (7, B-SA-N)

Having the right know-how is important for any company within this sector; hence, the HQ assign a team of people with the right expertise to help in building the capability of the subsidiary staff to keep up with the growing trend. In line with this the head of operations noted that:

“The parent company facilitates easily the transfer of know-how by using expatriates and also to monitor subsidiary operations to ensure that hiccups are minimised” (10, B-SA-N)

The use of expatriates is an important aspect of the parent company's management approach.

Table 6.2: B-SA-N Composition of the board and key executives

Board of Directors				Executive officers			
	Nationality	Educational Background	Experience		Nationality	Educational Background	Experience
Chairman	Nigerian	BSc (UK) MSc (UK)	B-SA-N Cadbury Nig. Unilever Flour mills Nig. Presco PLC	CEO*	Nigerian	BSc (Econs) MBA (UK)	B-SA-N Citibank GTB Deloitte
CEO*	Nigerian	BSc (Econs) MBA (UK)	B-SA-N Citibank GTB Deloitte	Deputy CEO	South African	LLB (SA) LLM (UK) MBA (UK)	B-SA-N Citibank Deloitte Banking Association of SA
Non-Executive member	Nigerian	LLB BL LLM	B-SA-N Podini Int'l Ltd Veritas Geophysical Nig. Ltd Ashburt Oil & Gas Ltd	CFO	South African	BSc MSc (USA) Chartered Accountant	B-SA-N KPMG Citibank

Non-Executive member**	South African	LLB (SA) LLM (UK)	B-SA-N Standard Bank of SA Banking Association of SA	Head Compliance**	South African	LLB (SA) LLM (UK)	B-SA-N Standard Bank of SA Banking Association of SA
Non-Executive member	Nigerian	LLB LLM (UK)	B-SA-N	Head Information	British	BA Hons (UK) MSc (UK) MBA (UK) Associate Institute of Bankers UK	B-SA-N Barclays Lloyds Bank
Non-Executive member	British	BA Hons (UK) MBA (UK) Associate Institute of Bankers UK	Standard Bank de Angola- S.A B-SA-N, B-SA Ghana Standard Bank RDC SARL	Head Human Resources	Nigerian	BSc MBA (UK) Associate member-CIPD UK	KPMG Deloitte Zenith Bank (Nig)
				Head Marketing	Nigerian	BSc MBA (UK) Associate member-CIBN	B-SA-N Guarantee Trust Bank (GTB) Zenith Bank First Bank
				Head Legal services	Nigerian	LLB (Nig) LLM (UK) MBA (UK) Chartered Fellow CIPD UK	B-SA-N Chevron Citibank

Source: Developed for the study

Head Technical	Nigerian	BSc (Nig) MBA (UK)	B-SA-N British American Tobacco Nigeria Alcatel
Head Corporate Banking	Nigerian	BSc (Nig) MBA-HR (UK)	B-SA-N KPMG Citibank
Head Internal Audit	Nigerian	BSc (Nig) MBA (UK)	Fellow-CIPM

B-SA's HR manager detailed this part of their strategy as one that is standardised with some country specifications if required. They have two main categories of staff members: managerial and non-managerial; recruitment and selection of staff members in these categories are different but is consistent with the requirements outlined by the parent company in agreement with the subsidiary. According to the HR manager:

"Our R&S practices are similar to the group process because our processes are usually aligned to the group standards with some country specifications if required. The group ensures that we are consistent with maintaining set standards in terms of R&S as we do not want to compromise the quality of our workforce" (1, B-SA-N)

The recruitment process starts after the third quarter of the financial year with a draft on how this is implemented. Budgets are allocated to help guide the plan. The HQ is strict with this as budgets must be approved by the HQ CEO. By the second quarter of the financial year, HR should have received requisitions from heads of different departments to this effect. Approval to fill vacancies is structured into three different categories: new hires, replacement hires and unbudgeted hires.

All new hires must be approved through the budget work plan; the hiring manager, on a minimum level grade 12, and the head of business function must approve the replacement hire and in the absence of a workforce plan, the HQ CEO must approve this. For unbudgeted hires approval is needed from four persons; the HQ CEO, CEO Nigeria, head of business and product head HQs. According to the head of operations/IT:

"There is a general rule that applies to hiring.... that all hires should be local citizens and for exceptional and for skills that are rare, foreign nationals should be hired to fill in the roles at managerial and executive levels.... the reason for this is that B-SA are so keen on not compromising the quality of their employees on the managerial level as a lot about the success of the organisation rests in the value of their workforce" (10, B-SA-N)

The recruitment process for managerial positions is different from non-managerial positions. The financial controller noted that:

"Heads of department are actively involved in the recruitment process as they are in a better position to specify what they need especially for non-managerial positions. This is more cost intensive and less time consuming. The final decision for the recruitment for managerial positions lies with the HQ" (6, B-SA-N)

Overall, B-SA takes a global approach as there is a standard recruitment process which has been put in place by the parent company. For further clarification, it is noteworthy to mention that there are two categories of employees: permanent and non-permanent employees and they are categorised into three sub-groups: new hires, replacement hires and unbudgeted hires. There are basic recruitment criteria for different levels.

Entry level: this is also known as graduate trainee programme. This is for candidates with less than 2 years' experience post-NYSC scheme and for candidates to be eligible, they should have 5 credits in their (Nigerian) General Secondary Certificate Examination (GSCE) including Maths and English, 2.1 bachelor's degree from an accredited institution whether foreign or local, and candidates must not be over 26 years old.

Non-full-time Employees: This is for candidates with a minimum of 3 years NYSC scheme experience and 2.2 bachelor's degrees from an accredited institution whether foreign or local and candidates.

Experienced Hire:

Category 1: minimum of 2 years NYSC scheme experience and for candidates to be eligible, they should have 5 credits in their General Secondary Certificate Examination (GSCE) including Maths and English, 2.2 bachelor's degrees from a relevant discipline.

Category 2: Experienced with relevant experience and on a managerial grade level with a Higher National Diploma (HND) (see appendix 1 for details on the structure of the Nigerian education system).

Strategic Hire:

This involves filling the vacancy for a business critical role and the services of indigenous and foreign recruitment agencies are used or via referrals. It is impossible to apply through the websites.

Vacancies are advertised on all social media, company website, newspapers and recruitment agencies. All applicants are expected to submit their applications online to be processed. Vacancies are filled following an approved plan and number of staff needed. An opportunity for career growth provided when vacant positions are filled internally. Internally, HR will advertise that position for two weeks after which it will be externally advertised on relevant platforms. The HR generalist noted that: "*Employees are given opportunities for career development and growth when vacant positions are advertised internally*" (8, B-SA-N). According to a HR advisor:

“As a company, we use different methods in recruitment which include; internal advertising via office intranet and externally- through job portals, company’s website, national dailies, referrals and indigenous and foreign recruitment agencies”.

He further stated that *“The company has a general rule to recruitment for both local and foreign national. Locals must be hired with the exception of hard to fill and rare positions where foreign nationals are employed especially for managerial positions. Recruiting candidates for critical roles are done through head hunting using specialised local and foreign organisations; referrals are also used for this purpose. They rarely apply on the website as they are talented individual well sort after. Assessments of these candidates are not compulsory”.* (4, B-SA-N)

Peradventure, the position is still vacant after advertising it externally and depending on the nature of the vacant position, HR has a directory of indigenous and foreign recruitment agencies which are used for this purpose due to previous recorded successes; however, they are consulted in collaboration with HR to fill the vacant position and the cost is accommodated by the hiring unit. However, in Nigeria the regional manager noted that:

“Positions advertised internally are usually filled in pretty quick as managers already have candidates from the moment the vacancy was advertised. This has led to some friction between managers of different departments, hence they have adopted a quota system as this allows for a fair play. The managers only help to get the candidates through the door but it does not guarantee them a place within the company. The candidates have to earn it by going through the process successfully” (7, B-SA-N)

All job vacancies are advertised on the company’s website and other specialised websites after which the candidates are selected based on appropriate skill set, qualification, and experience whilst maintaining diverse and wide-ranging personnel. Upon short-listing successful candidates, they are required to undergo some assessments.

Selection

The selection criteria differ for each category; however, there are basic requirements for new hire, experienced hire and strategic hire. Selecting successful candidates is dependent on the job specification also considering the qualification, skills, and experience of the candidate; in line with this, a competence-based interview is conducted. According to the HR manager:

“Our selection process is quite rigorous and assessments done include: personality tests, psychometric testing, technical ability tests and role plays. Our applicants can only do one assessment in 18 months... not less”. There are different assessments for different categories. There are also business specific tests which must be endorsed by the management before it is done. At the same time, the line managers exercise some level of discretion in giving extra personality tests” (4, B-SA-N)

All employees undergo an approved assessment and other assessment which is specific to the relevant department. For graduate trainees and non-full-time employees, they do this assessment once in 18 months. For the experienced hires additional personality tests are given with the approval of the HQ; whereas, for strategic hires, assessment is not mandatory. According to the HR grievance/compliance officer:

“In some exceptional cases, the requirements for the assessment score in line with the recruitment process could be waived and the qualification of the candidates is only granted by the CEO at the HQ or the CEO of the bank” (5, B-SA-N)

Upon successful selection, the candidates would be offered an employment letter and salary agreed on; however, they are confirmed after a six-month probation period. There are certain conditions for confirmation which include: a five-year character reference from three individuals who are unrelated to the employee, name of previous employers dated back ten years, copies of NYSC certificate and academic credentials, appraisal confirmation for six months and mandatory induction training programme. This a standard procedure obtained from the HQ; although slightly modified.

b. Training and development

B-SA strongly emphasises the importance of having high calibre employees as this would lead to greater success and this is in line with their HRM philosophy. Training is enormously important and the objective of B-SA’s HR department is to develop its employees as this will impact positively on the services provided. This is corroborated by the response of the HR manager:

“Training and development has increased significantly for all categories of employees and this is in line with the policies from South Africa. Performance and capability building is of great importance to us” (1, B-SA-N)

B-SA’s training and development policy is also referred to as learning intervention (LI) policy and it is structured in line with HQ’s design and the content is tailor-made to every

department. This is to ensure that the staff members know about the products and services provided and are able to effectively communicate it to their customers. The operations manager noted that:

“Our LI policy is structured in line with headquarters specification and modules are structured bearing in mind the departments and what we represent as a company. We expect our staff members to know about our products and services well enough to market it to our customers at the same time we expect a level of professionalism in discharging their duties regardless of their departments”. (9, B-SA-N)

The HQ have total control in some HR policies like the pay structure but regarding the LI policy, the contents follow the HQ specification; however, the mode of delivery is country specific, for example, role play. The HR Manager pointed out that:

“Even though the HQ feel the need to control the pay structure and the content of the training following the head office’s specification. However, the mode of delivery is country-specific. The HQ has an outline of trainings that employees must follow through. These outlines come in the form of specific modules and tailored specifically to different departmental needs. This is to ensure that standards are not compromised. The reason for this is due to the differences in the culture of both countries. South Africa is more individualistic than Nigeria and a training approach that would take into account the employee’s in-group should be encouraged in a collectivist society like Nigeria. The methods of delivery that has been adopted within the classroom setting in this subsidiary include: role play, team training, etc”. (1, B-SA-N)

Training programmes are implemented in different ways. The interventions administered differ depending on staff role and level. All employees were expected to log in details of their experience and identify their department online and then the system automatically generates a track for each employee. The company adopted various interventions including web-based training, classroom programmes, seminars, workshops or conferences. The HR grievance/compliance officer further noted that:

“There are various ways that the organisation implements her LIs in a cost effective way. The training track helps the company to automatically tailor trainings to individual employees need. These interventions could be locally or internationally administered depending on the type of training and the cadre of employee. A number of the interventions are electronically or virtually implemented such as code of

conduct, health and safety trainings, etc.; whereas some of them are not done physically. Some courses are administered in classrooms at the training institute at subsidiary or at the HQ” (5, B-SA-N)

Each employee is expected to complete fundamental and specialised courses that are organised by the learning intervention department. There is collaboration between the subsidiary’s HR department and the training manager at the HQ to ensure that a suitable training programme is in place for all employees. According to the HR generalist:

“It is the responsibility of the HR manager to ensure that employees complete their fundamental and specialised trainings in line with the specifications of the department they work in. For example, if an employee works in the taxation department, they are expected to do some specialised courses like the taxation law to understand this area comprehensively”. (8, B-SA-N)

The HR manager further emphasised that the training standard is the same in all subsidiaries and it is expected that *“a minimum of 30 hours is completed towards professional development annually”*. Also, *“It is expected that managers follow courses that improve their management skills... courses are different for different levels of managers and these courses follow HQs specifications”*.

The training programmes are not cheap and to ensure that resources are adequately utilised, a contract is required for trainings above N1 million which is equivalent to \$5,000. The financial controller pointed out that:

“Some of these trainings are not cheap but are financed by the company. In order for the company to ensure cost effective expenditure, any training above N1 million would require filling in an intervention form which require that the employee repays the said sum within 12 months from the date of the intervention if they decide to leave the company” (6, B-SA-N).

The budget on training differs depending on the nature and the purpose of the training. Based on the findings from this company, T&D is taken seriously and the decision on how much is spent on training is a joint decision between the subsidiary and the HQ. The HR adviser noted:

“The budget decision is made jointly by the subsidiary and the HQs. Annually, an estimate of N40,000,000 (\$200,000) is spent on training and this has been increasing over the years.... there was an increase of 20% this year from last year’s budget.

However, the HQs advised that the subsidiary suggest other cost effective ways of implementing training so as to reduce cost without compromising the standards” (4, B-SA-N)

The HQ influences the degree of training at the subsidiary level to a large extent. The training track is a system developed by the HQ to help identify training needs quickly. This system allows employs to input their past skills, qualification and competencies. The HR manager noted that:

“Even though we make decisions on what trainings to administer, the HQ strongly regulate this using the training track system which has imputed certain standards and criteria such as skill, competencies, qualification, etc. which every employee has to follow.” (1, B-SA-N)

The HR department is involved in building and sustaining employee morale; they also help to coordinate courses that would aid employees to be more interested in their duties. The HR grievance/compliance officer and operations manager noted this respectively:

“Once annually we do a survey that allows us to see the issues in the company and within the same survey we make provision for recommendations to be put forward on how the issues highlighted could be improved. After the survey is collated, the improvements are communicated to the employees”. (5, B-SA-N)

“At the same time we make provisions for employees with supervisors to fill in a form annually stating their career interests. This is discussed by management during career sessions and then a development plan is established within the boundaries of organisational goals” (9, B-SA-N)

Overseas training are organised for top management and staff in the technical/IT department to help build strong network, facilitate information sharing and create an opportunity for them to experience other cultures. In the words of the head of operations/IT:

“Our coming together quarterly has helped us a great deal. From a departmental perspective, it gives us an opportunity to share some ideas and experiences as regards how some tough tasks were accomplished in the line of duty. I personally have been able to glen some quick tips on how to accomplish some tasks quickly from other heads of IT departments” (10, B-SA)

Ninety percent of the training is delivered internally via their training institute and 10% is delivered by some specialised training agencies, and this is specifically for top management

staff. From time to time, some employees from the HQ visit the subsidiary to help support head of departments or the organisation itself during change process/phase to provide input where necessary and identify any loopholes. These employees are experienced at what they do.

The financial controller noted that it is not enough to conduct the trainings but the efficacy of the training is measured as well. In his words:

“Evaluation forms are usually completed after the training programme and learning consultant also engage with staff and who have had one training or the other as well as their line manager to obtain feedback on how these sessions have improved their performance” (6, B-SA)

The HR department is involved in building and sustaining employee morale; they also help to coordinate courses that would aid employees to be more interested in their duties. The regional manager and head of operation/IT noted this, respectively.

“Once annually we do a survey that allows us to see the issues in the company and within the same survey we make provision for recommendations to be put forward on how the issues highlighted could be improved. After the survey is collated, the improvements are communicated to the employees”. (7, B-SA-N)

“At the same time we make provisions for employees with supervisors to fill in a form annually stating their career interests. This is discussed by management during career sessions and then a development plan is established within the boundaries of organisational goals” (10, B-SA-N)

Overall, this practice follows a standard specified by the HQ with slight modifications in the delivery.

c. Performance appraisal

B-SA top management employees explained that they have a standard performance which is in line with what is obtainable at the HQ. They have a written policy on this and it was reviewed eight years ago as the previous method was not effective and did not provide clear and comprehensive activities of the different departments. The IT and HR departments at the subsidiary in collaboration with the HQ restructured the system. According to the financial analyst:

“Our performance appraisal system was reviewed 8 years ago as it presented a fragmented picture of all departments rather than the whole picture. IT specialists from the subsidiary and the HQ with the support of HR re-designed the system. The new system is linked with the HQ and all staff members are able to track their performance. The new system is transparent and easy to monitor unlike the former system which was quite cumbersome”. (3, B-SA-N)

Performance appraisal criteria are the same for employees in all departments. There are both quantitative and qualitative appraisals. The qualitative aspect is based on specific KPIs (key performance indicators) which is assessed every July and December. The whole essence of this policy is to ensure that an employee's skills and competencies are evaluated against set objectives to identify training needs and also to recognise talents. The HR manager confirmed this stating that:

“The company has put in place some quantitative guidelines based on some specific KPIs which is implemented twice annually... July and December. The KPIs are used to ascertain the progress that employees are making towards achieving the organisations strategic goals. The KPIs implemented depends on the department... for example, the marketing department has a different KPI from that of the finance department. The KPIs for different departments are linked to their main activities and associated with selection made of the performance indicators” (1, B-SA-N)

Furthermore, the financial controller confirmed that:

“Appraising employees is not a waste of time and it is an important aspect in this organisation as ensures that employees are not distracted from the set objectives and all hands are on deck to achieve set goals within a given time frame... also, this is important as it helps the company to identify training needs of staff members and those eligible for promotion” (6, B-SA-N)

The second aspect of appraisal is the qualitative and this is linked to the value placed by the employee for the company. The HR advisor noted that:

“This value is deciphered from the employee's attitude and how they are executing their tasks and duties. The guidelines for assessing both appraisals are sent by the parent company. This is to minimise confusions and bias. They both have an equal weighting of 50-50 which indicates how important they both are” (4, B-SA-N)

Heads of different departments ensure that appropriate measures are set up to ensure that there is an unbiased examination of appraisal reports. Everything is transparent and follows the HQ's specification to the letter. For example, in the marketing department, a software which measures customer KPIs is used which is called "*customer relationship management*" is used to provide a weekly analysis. HR department KPI is linked to employee performance indicators and turnover.

d. Compensation and benefits

B-SA's reward strategies and remuneration structure is geared towards attracting, motivating and retaining high talent employees at all levels within the organisation whilst considering that they operate in an extremely competitive market. The focus of this policy is to reward employees fairly and competitively based on their performance. B-SA has a standardised practice in terms of benefits and bonuses; however, the salaries are based on market conditions and living standard. According to the financial controller:

"Benefits are linked to what is obtainable within a given market and cost of living standard. The industry has a pay range which by default is utilised in companies within this sector... it is more like a benchmark. Also, we cannot fall short of the labour law standards as well but rather the company exceeds the standards set. For example, the labour law does not stipulate that pension schemes are provided for employees but this is a region-wide policy" (6, B-SA-N)

Salaries are not the same for all levels. Business guidelines are considered in deciding annual salaries. The start-up salaries are set by line managers with consultation from the HR reward team. Employees are paid based on cost to the company (CTC) basis which consists of basic salary and benefits. Before salaries are set, they consider the grade (see table 6.3 for details) and the salary range; current salaries for that grade; market rate and the annual budget. However, there are exceptions that require approval from the HQ. According to the financial analyst:

"Generally, we aim as a company to pay employees at the 50th percentile of the market; however, we go up to the 75th percentile depending on skill scarcity, retention risk or competence but this must be okayed from the HQs. Salaries are set based on job grade/ level. Surveys are used to determine the level/competitiveness of salary ranges. Individual experience is also considered in determining the size of the remuneration package" (3, B-SA-N)

Table 6.3: Grade alignment

	CBN Approved Grades for B-SA	B-SA “Shadow” Grades
Managerial	Executive Director	Director Level 6
	General Manager	Operational Leadership Level 5/ B-SA 13U
	Deputy GM	B-SA 13L
	Assistant GM	B-SA 12U
	Senior Manager	B-SA 12L
	Manager	B-SA 11U
	Deputy Manager	B-SA 11L
Non Managerial	Asst. Manager	B-SA 10/09
	Senior Banking Officer	B-SA 08/07
	Banking Officer	B-SA 06
	Asst. Banking Officer	B-SA 05
	Clerical	B-SA 04
	Non Clerical 3	B-SA 03
	Non Clerical 2	B-SA 03
	Non Clerical 1	B-SA 03

Although B-SA has standard policy for compensation such as: performance related pay and a culture that is based on recognising and rewarding contribution rather than entitlement in all their subsidiaries globally, it is still aware of the differences in the local market and the need to adapt to keep up with local trends. The HR manager noted that:

“Promotions are not determined by entitlement but by the contributions made by the person or the team. Bonuses are allocated based on the outcome of an individual’s performance at the end of the year appraisal. B-SA had to align the grading system to follow CBN’s approved specification for all banks operating in

Nigeria; this meant that we had to slightly modify our bonuses and leave entitlement” (1, B-SA-N)

As mentioned above, employees are paid based on a CTC basis which consists of: surety cash, benefits and bonuses and non-surety cash.

Surety cash: this includes the base salary; the so-called 13th cheque which is the equivalent of one month’s basic salary cash payment to non-managerial staff paid at the end of November annually; pensionable and non-pensionable allowance.

Benefits and bonuses: Employees and the bank make a 50-50 contribution towards the key benefits which include medical insurance, pension fund. The secondary benefits include generator allowance (for assistant managers and above) and care allowance (for deputy managers and above)

Non-surety cash: This is for eligible managerial and non-managerial staff to receive bonuses based on their performance that are not a part of the CTC if they qualify.

According to the HR manager, *“information regarding remuneration is treated as highly confidential by all staff members”*. The HR advisor noted that:

“Salaries are reviewed annually in March. Increment in salaries will consider the current salary, size of the job, market rate and a comparison to the salary scale. This is considered together with the results of the employee’s appraisal before an employee qualifies. Staff members that have failed to perform will not receive a salary increment” (4, B-SA-N)

Overall, the subsidiary is at liberty to set up their compensation and benefits plans; nonetheless they must follow the HQ guidelines. If modifications are necessary, then the consent of the HQ must be sought; this is to ensure that there is consistency across borders.

e. Employee communication and consultation

The method of communication in B-SA is structured. All employees have access to the central portal system where information is passed on. This system help employees to exchange information that is work related. This is also a platform through which the HQ pass on information to employees in their subsidiaries globally; also the code of conduct is

available on the portal. It is the responsibility of employees to check for any updates daily. For instance, the HR manager stated:

“We have a central portal system which all employees of the organisation exchange information regarding work; every employee has a unique user ID and password used in accessing the portal. Internal emails are sent and received through this means. We also have access to all the up to date code of conduct and employee policies; they are reviewed annually. Employees are mandated to acquaint themselves with it. The Head office also uses this medium to ensure that information is passed on to all staff members. The system is set up in such a way that it can tell those monitoring the system that high priority information has been read by employees” (1, B-SA-N)

B-SA is a company that has many processes in place. Most of these processes are facilitated using different software. They are quite keen on standardising processes in measurable terms and HR is not left out. In the Nigerian subsidiary, this was confirmed by the financial analyst, who said,

“Working for this company for almost a decade, I have observed that everything tends to follow specific processes and procedure. This is used in implementing HR practice (performance appraisal, training); it ensures that a standard process which aligns with what is done globally is implemented” (3, B-SA-N)

In a similar vein, the HR advisor added that:

“HR has a standard information system... for example, the portal through which administrative activities are delivered. This ensures efficiency and encourages information sharing with employees in other subsidiaries globally and this would help to increase employee satisfaction and in the same vein manage cost” (4, B-SA-N)

Emails have also proven to be very effective and it is the company's policy that employees communicate with customers using their official email. They are not allowed to check their personal emails during work hours. Quarterly, newsletters are also published and regular meetings are held to review targets and milestones. This is to ensure that quality of services provided meets the standard. In line with this, the branch manager mentioned that:

“Emails are used quite often in communicating and the company has a policy that mandates staff members to check emails regularly so that important messages are

responded to promptly and also that they are kept abreast with any work-related new developments. Employees are not allowed to go on their personal emails during work hours. Newsletters are published quarterly and meeting held on a regular basis between staff members and team leaders so as to review their progress in terms of meeting their goals. Departmental meeting are also held to ensure that quality of service is maintained". (2, B-SA-N)

Additionally, in the case of whistle blowing, the HR grievance and compliant officer noted

"There are different ways through which we report this within the company. This is done through 24 hour hotlines and they are confidential and anonymous" (5, B-SA-N)

Generally speaking, the company provides employees with different information such as safety issues, pay bonuses, code of conduct, disciplinary policy, and quality. Communication is not done through trade unions but on individual basis. No form of employee representation is allowed in this company and this is stated in their policy.

6.5 Conclusion

This chapter sought to detail all that was found out during the interviews about B-SA-N regarding the nature of their HR practices, the nature and process of integrating HRM policies and practices into the subsidiary and the role of HR in facilitating the transfer.

The HR practices were further investigated. Nevertheless, there are certain factors that shape the nature of the transfer of the HR practices (further details provided in the analysis section).

Generally, findings revealed that some practices were considered best practices which include: performance appraisal, training and development, career management, top management recruitment and communication. Nevertheless, some practices (compensation and benefits and recruitment and selection) were adapted, but the core policies remain the same as that of the HQ. There were certain factors that shape the nature of the transfer of the HR practices (further details provided in the analysis section). These factors include: host country effect, industry sector, international structure and strategy, top management beliefs, home country effect, international experience and subsidiary role.

The guidelines specified by the HQ – recruitment and selection; training and development; performance appraisal; employee communication and consultation; compensation and benefit and many other practices – were analysed comprehensively with the support of other

mechanisms. Nonetheless, regarding their R&S and compensation and benefits practices, they allowed some considerable local discretion although constrained by the budget.

CHAPTER SEVEN: B-SP CO

7.1 Introduction

Chapter seven describes the fourth case study, which relates to the financial company B-SP. The findings of the case are reported by firstly, providing information about the profiles of the parent company and the Nigerian subsidiary. This is followed by outlining the structure and role of the subsidiary's HR, reported in three main sections: the profile of the company, selected HRM practices applied in Nigeria which include: recruitment and selection, compensation and benefits, training and development, performance appraisal and employee consultation. Following this is the process of transfer from the PC to the HC and the role of HR. Finally, the conclusion ties up all the key points that emerge from the case study.

7.2 Company Profile

This section provides brief background information about the parent company and the Nigerian subsidiary. Then it moves to describing the parent company's approach to the management of its subsidiaries across borders.

The Parent Company

The parent company is a leading Singaporean financial MNC with 86,000 employees globally. B-SP started its operation globally in 1969 and has over 1,700 subsidiaries worldwide. They have a significant presence in over 70 markets. B-SP is listed on the Hong Kong Stock, Mumbai and London Stock Exchanges and they have been in operation for over 47 years in world's emerging markets and makes significant earnings from Africa, Asia and the Middle East; this amounts to over 90% of their profit coming from these regions. In addition to this, they are also located in Europe and North America. B-SP has its HQ in Singapore.

The bank is structured having two main areas: business and the support team. The business function caters for wholesale banking and consumer banking; and the support function caters for technology and operations. The wholesale banking includes: global corporations, financial corporations, commodity markets, and the consumer banking caters for individuals, and SMEs. It is also known as commercial banking. B-SP adopts a matrix structure which combines the advantages of area and product structures.

B-SP has 11 persons on their board of directors, mainly Singaporeans. They also have 7 top executives (chairman, deputy CEO, chief financial officer (CFO), chief operating officer, and chief HR officer) (see table 7.1 for details).

Table 7.1: B-SP-N Composition of the board and key executives

Board of Directors				Executive officers			
	Nationality	Educational Background	Experience		Nationality	Educational Background	Experience
Executive Chairman*	Singaporean	BSc (UK) MBA (UK)	B-SP Co Citibank	Executive Chairman *	Singaporean	BSc (UK) MBA (UK)	B-SP Co Citibank
Regional Chief Executive Officer*	Singaporean	BSc (Mech Eng) MBA (UK)	B-SP Co Singapore, Taiwan, Philippines, Thailand, S. Korea PT Bank Permata Tbk	Vice president *	Singaporean	BSc (Mech Eng) MBA (UK)	B-SP Co Singapore, Taiwan, Philippines, Thailand, S. Korea PT Bank Permata Tbk
Non-Executive Director and Member of Group Management Committee	Indian	Chartered accountant MBA (UK)	B-SP Co Singapore, Taiwan, Philippines, Thailand, S. Korea, China, Malaysia, Australia Reckitt Benckiser Ltd Centrum Capita	CEO	Singaporean	BCom, BCompt (Hons) (UK) MBA (UK) PhD (UK)	B-SP Co Citibank Centrum Capita
Head of Global trading	British	BSc (UK) MSc, MBA (UK)	B-SP Co Citibank	Chief Financial officer	British	BA (UK) MBA (UK) PhD (UK)	B-SP Co Lloyds Bank Barclays
Member Board of Director	Singaporean	BSc (USA) MSc, MBA (USA)	B-SP Co Singapore, Brunei Darussalam, UK	GM Information/Technical	British	BA (Hons) MSc PhD	B-SP Co Azuri Technologies Ltd Google Microsoft

Independent Non-Executive Director	Singaporean	BA PhD (Cambridge) Post Doc Fellow (Cambridge)	B-SP Co Hong Kong Mgt Association McKinsey & Company	Head of Marketing officer	Singaporean	BSc (UK) MBA (UK)	B-SP Co McKinsey & Company Citibank
Independent Non-Executive Director	Singaporean	BSc MA (English) (Cambridge) MBA (Cambridge)	B-SP Co Tata Consultancy Services Citibank	Head of HR	Singaporean	B.Sc MBA (UK) Chartered Fellow CIPD UK	B-SP Co Deloitte Google Microsoft
Independent Non-Executive Director	Singaporean	BSc (USA) MBA (USA)	B-SP Co Standard Oil				
Independent Non-Executive Director	Singaporean	BSc (Finance) MBA-HR (Robert Gordon University)	B-SP Co BP company				
Independent Non-Executive Director	Singaporean	BSc (Cambridge) MBA (Lancaster University) Chartered Fellow CIPD UK	B-SP Co Citibank				
Independent Non-Executive Director	Singaporean	BA (Econs) (Uk) PhD (UK)	B-SP Co Aviva plc Barclays plc				

Source: Developed for the study

The Nigerian Subsidiary

In Nigeria, B-SP-N was established as a wholly owned subsidiary in 1999 with 30 branches in 16 states. The Nigerian subsidiary has 10 people on their board of directors (4 expatriates and 6 Nigerian). B-SP-N strives to be the best international bank globally and they have high standards in conducting their business which is guided by their core values. Within the financial sector in Nigeria, they have a good reputation (company website).

They offer a range of services ranging from international banking to SME banking. The bank caters for four categories of clients: company and institutional, private banking, commercial and retail banking. They provide different ranges of products: transaction banking, customised service, financial market trade, lending services, and corporate finance.

7.3 Headquarters–Subsidiary Relationship

The parent company of B-SP adopts a standardised approach in managing their subsidiaries across borders. They have global HR policies (R&S, T&D, PA, health insurance, career management and communications); although some areas of their policies are localised (compensation and benefits) to suit different countries; whilst the main practices are standardised following HQ specifications. For instance the HR generalist explained that:

“Everything in the bank, including how you open the vault are all written down. Everything has a policy around it, everything has a process. Let me make this comment ab initio whatever is obtainable in Nigeria is the same standard across the world, everything is standardised. Although, there are adaptations but there are normally broad policies. You can now have what is called country addendum which most of the time is in almost everything. However, country’s addendum globally may differ from the group policies just about 10%. But overall, there are standard policies that are used globally”. (2, B-SP-N)

Additionally, the HR analyst noted that:

“To be very frank, they have so standardised our HR process, that in fact a number of those things are automated; even to make enquiries, staff do not call the HR unit here in Nigeria and make inquiry; they drop a line of enquiry on a particular platform and they are referred to anything related to their enquiries” (10, B-SP-N)

Therefore, company-wide policies are applied in subsidiaries across borders. The policies are detailed clearly in the company’s manual and the subsidiaries cannot adjust the contents without the consent of the HQ and this has to go through a process of “authentication” before

it is endorsed. The HQ insist on adherence to their management style as well. They are also directly involved in the management of high potential employees; helping them develop to take on international assignments. A regional manager and regional financial controller noted that:

“There are a lot of policies covering...everything. They are so detailed that even to manage high performance in your team, there are policies and guides around that. They draw up scripts...coaching scripts for you, everything. Even managing underperformance, you have whole lot/stretch of policies around that” (1, B-SP-N)

“Having been to a number of countries on professional assignment within the company, I have observed that the guidelines followed by the subsidiaries are pretty much similar to that of the HQ. In fact, the onus is on HR to ensure that the standards are consistent and in line with organizational culture” (3, B-SP-N)

For that reason, policies such as: employee communication and consultation, training and development and performance appraisal has to be consistent with the HQ specifications. In line with this, regional financial manager also explained that:

“Now in terms of policies, the HQ check to see whether the subsidiaries are compliant with that, they have a very standard process around that also. We have both internal audit that come regularly to check everything. We also have the group audit that can come in quarterly to check everything and also peer reviews are also done. We also have staff members coming from India and they are all over the branches or one business or the other checking how various policies are applied. That way they are sure that standards are maintained across all geographies” (1, B-SP-N)

The centralised approach used was supported by a variation of mechanisms to strengthen integration culturally. Generally, a “routine guide” is used bring other subsidiaries on board incorporating them. Following this, specialists from different departments are sent to the subsidiary to ascertain urgent and significant measures that must be taken in the first 120 days. This action is followed by a longer development plan which will last for 24–36 months to ensure that the plans are fully incorporated into the new subsidiary. The stages and the procedure are fully outlined in the guide to ensure that principles are adhered to.

There are other tools used to fully integrate the subsidiary and encourage a common culture; such as: “The Right Start” which is a seminar organised for new employees and the

employee portal which facilitates information sharing and establishes favourable working style.

Even though a centralised approach is predominant, the importance of recognising local uniqueness cannot be eliminated. The discretion for local responsiveness is however, moderated by strict financial measures (return on assets, return on equity, revenue growth, loan loss) and outlining performance goals which would be used in making a comparative analysis with other units globally.

Coordination and control mechanism

The findings from B-SP Company revealed different approaches to the control of their Nigerian subsidiary. From the interviews conducted, it was obvious that most of the decisions were made from the HQ. More decisions regarding R&S, T&D, PA and communication are made by HQ in comparison to compensation and benefits which is quite localised. Their procedures are quite standard and modifications can only be made with the approval of the HQ with respect to financial control are so strict. The output-based or centralised control is the least commonly used except for financial decisions. To facilitate this, the audit department is really involved to ensure that processes are strictly adhered to. The regional manager pointed out that:

“The HQ is very keen on financial issues. They may not really influence the base pay as this is mostly decided by the subsidiaries local rate; however, the benefits and bonuses are standardised and has to be in line with HQ’s specifications. Budget is taken seriously and subsidiaries are expected to follow the standard to the letter” (1, B-SP-N)

Additionally the HR generalist added that:

“The audit department will make sure that financial procedure is effectively administered. From time to time, they come to check if we adhere to the process operating instruction. So even if you are a careless manager, by the time audit hits hard, and you can never have a red, if you have a red rating in your audit, you are out” (2, B-SP-N)

It is very important to adhere to the specifications of the HQ regarding financial and reporting standards. The subsidiary’s financial department coordinates with the HQ yearly to ensure that reports are submitted on a quarterly basis using the HQ’s specified template which has been designed to be used by all subsidiaries globally. There is a special team that visits the

subsidiary from the HQ to audit their account in line with HQ's specification. The HR advisor noted that:

"The organisation is so keen about maintaining consistency across borders and one of the areas where standards cannot be compromised is in the area of the accounting system as all subsidiary are expected to follow a standard system and we are being monitored from time to time by visits from the HQ" (6, B-SP-N)

The organisation also has a standard for performance appraisal and decisions regarding this come from the HQ. The HQ collects information regarding the performance of the subsidiary. The regional financial manager noted that:

"Performance appraisal is standardised. The decisions regarding this flow from the HQ rather than the subsidiaries and the amount of training for employees has to be approved by the HQ before a budget is allocated" (3, B-SP-N)

There are certain procedures that support B-SP to formally integrate all functional activities performed by all units. They provide standard procedure and this is specified and written down. Everything regarding their HR policies and practices are written down; for example, there is a standard procedure as to how employees' performance are appraised and this is detailed by the financial controller below:

"The performance of employees is reviewed with line managers prior to the main appraisal which is done twice a year; but the performance reviews done with the line managers are not discarded. They are recorded and will be considered with the main reviews done twice yearly. And then based on the reviews, relevant trainings would be provided. There is something we call the mile tracker... this tool helps the employees to monitor their reviews from the start of the year in line with corporate objectives for the year" (8, B-SP-N)

B-SP has an established corporate electronic HRM system which helps to coordinate activities and this is a standard system established by the HQ and all employees have access to this tool. This tool is updated from time to time by the subsidiary's IT department in collaboration with the HQ to make it more user friendly. The HR analyst noted that:

"Our intranet has proved so helpful in the sense that issues regarding HR can be found there specifying how they have been implemented in the HQ. All employees are listed there are well and this information can be assessed by employees within B-SP. Invariably. Everyone uses the same tool" (10, B-SP-N)

Sharing information is also another common practice in B-SP especially for international force. The regional financial controller corroborated this stating that:

“Being a part of the finance global team, it is our responsibility to discuss the salary increment on a local and global scale; whilst doing this we have to take into consideration the legal and HR implication. Tax is an issue that we do not have control over as this is purely influenced by the host countries” (3, B-SP-N)

Regular meetings are held at different levels within the subsidiary to discuss pertinent issues and circulate updates from the HQ. The HQ visits the subsidiary regularly and sometimes would send subsidiary staff to the HQ for temporary assignment. The subsidiary top management attend annual meeting at the subsidiary and this facilitates information sharing amongst managers from different countries and provides them an opportunity to develop a global mind set.

7.4 The Nature of HR Practices in the Nigerian Subsidiary

This section begins by discussing the structure and the role of the HR department. This is followed by an examination of the HRM policies in the following areas: staffing/ recruitment and selection; training and development; performance appraisal; compensation and benefits; and employee communication and consultation.

The structure and role of the HR department

B-SP's HR department was quite unique. Previously, HR was considered more of a support function. Although there was a head of HR, it is not automatic that once you become a head of HR you are a director. Recently, the role of HR is crucial and quite strategic and this can be observed from HR's representation on the board and they also have policies which are written down regarding all HR policies. The subsidiary HR department comprises of six different sections: manpower; training and development; the Consumer Banking Academy; grievance; payroll; remuneration and estate management. This is summarised in figure 7.1. Each section is overseen by managers and they all report to the HR manager who reports to the regional HR manager. B-SP-N's HR department employs 96 persons. HR is involved in the formulation of corporate strategy and this is done by:

“Making certain that each staff would have individual job objectives with expectations that cascades top-down and they are in different levels: first level, second level etc. My KPI and job objectives would be drawn from what my boss has been given and my boss' own would be drawn from what his/her boss has been given. Invariably, it

cascades from top to bottom and must be in line with what is obtainable from the HQs” (6, B-SP-N)

HR is also involved in making and implementing decisions regarding organisational performance and this means that HR plays an active role in the firm. The regional manager pointed out that:

“The HR manager had been in the system for so long and proved herself that she earned her position as a director. Currently, she is one of the executive directors. To help you understand this better, sometimes one may have a function and the scope begins to expand even beyond the local environment. For example: someone can be in Nigeria and be the head of a particular team both for Nigeria and say for West Africa or for Africa, so you can have the head of HR, who is head of HR for Nigeria and West Africa. Staff training has also helped us to yield such a remarkable result” (1, B-SP-N)

Furthermore, he noted that:

“The role of HR from a strategic point of view cannot be overemphasised. HR is considered a strategic business unit (SBU). Line managers within the subsidiary based on their years of experience and understanding the business angle to what we do as an organisation were moved into HR. This move was strategic as they understand the philosophy of our business: employees are assets and they can facilitate in transferring these values to employees through training” (1, B-SP)

B-SP's HRM philosophy as stated in their policy manual is to have high calibre employees – called High Potential Staff (HIPOS) – that will direct the firm onto more successful paths. The policy on training is quite strong in B-SP and it is the responsibility of HR to develop employees as this would impact on the quality of services rendered to clients. HR's function is to ensure that policies are thoroughly implemented and processes improved to boost performance and maintain a competitive advantage and be globally integrated. The HR generalist commented on this, saying that:

“It is important that we ensure that our policies are consistent with that of the HQ and that we do all to satisfy our customers as this is primary. It is also HR's responsibility to support every department in following the organisational standards; this maybe challenging for HR but it is expected. Therefore, training is provided from time to time to help HR to become better prepared as changes may be made in the policies. This is to ensure that they are on top of their game”. (2, B-SP)

The HR analyst added that:

“HR is focused on ensuring that standards are maintained in terms of local policies, monitoring HR processes and programmes. The responsibility is on them to communicate this with the corporate HQ and decide on the way forward. It is their responsibility to cascade this information down to the various department especially if it is a major change.” (10, B-SP)

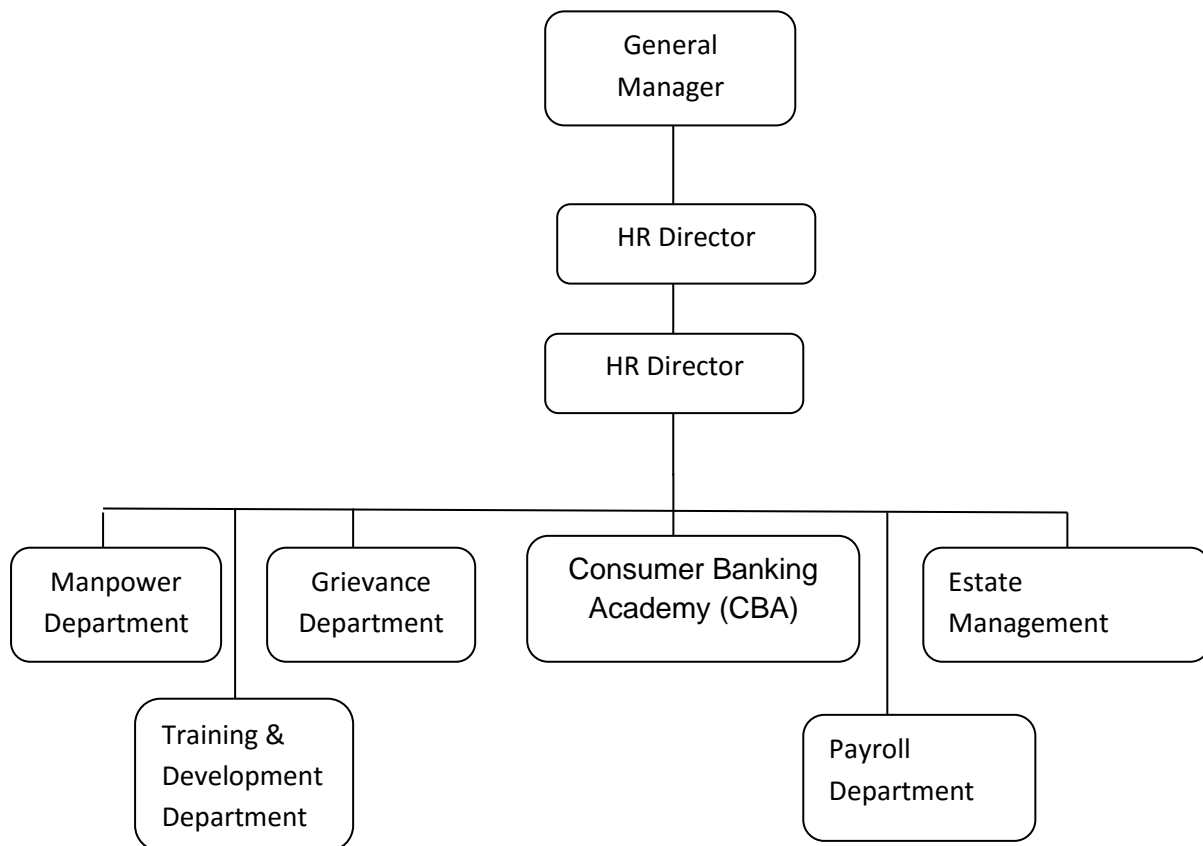


Figure 7.1: B-SP-N Structure of HR department

HR in B-SP has a distinguished process and system in their business. According to the operations manager:

“B-SP has a very good process in place. This process also accommodates plans for improvement as well. B-SP has a culture in place and subsidiaries follow this to the letter. Our HR department is not left out. We consistently get new memos from the HQ authorising us to update a part of our HR process and this is being validated by the HR department at the HQ which is applicable worldwide; although, sometimes we

find these processes challenging. From time to time we get the necessary training before any update is initiated".

B-SP also uses the HR information system in the delivery of their services and also for administrative processes such as the intranets, portal, help desk department which are implemented effectively from the HQ in Singapore. This is demonstrated in the quote below:

"We have made great investments in ensuring that our HR administrative services are well implemented. Employees have access to self-help services and virtual platforms which are serviced from the HQ. This is to ensure effective time and cost managements and to ensure more effectiveness and efficiency so as to increase employee engagement"

It is HR's responsibility to ensure that the core aspect of the business which is to sustain central aspects of business processes. HR is also involved in improving employee's commitment. B-SP conducts a survey called Gallup Survey Q12 annually which helps in measuring the engagement level of employees. This is a global process across all subsidiaries. The HR advisor noted that:

"Yearly, around September/October we conduct a survey called Gallup Survey Q12 engagement 12 question that measure the engagement of staff. So the survey report is done by Gallup Company for us and this is a global standard process. This helps us to ascertain the departments and the teams that are not properly engaged and an action plan is set in motion to help improve the level of engagement. For instance, we introduce activities such as: recognition campaigns, "Speak out", quarterly training plan, etc. that would make employees feel valued" (6, B-SP).

HR also ensures that change is managed effectively. They are involved in the process of change and transformation; helping employees adapt and imbibe new changes within the organisation. Seminars are duly organised and help desks set up to help support employees before and during the process of change. Memos are circulated early informing employees of intending changes before they are implemented to ensure that majority of employees are on board the decision.

HR practices in the Nigerian Subsidiary

a. Staffing/ Recruitment and selection

Composition of the board and key executives

B-SP-N employs about 2,000 employees. B-SP-N has 10 persons on their board of directors (chairman, vice chairman and 8 directors) which is comprised of 4 Nigerians and 6 expatriates (3 Singaporeans, 1 Canadian, 1 Ghanaian and 1 Indian). They have 9 key executives comprising of 4 Nigerians, 3 Singaporeans and 2 British. They occupy different positions (see table 7.2 for details). Expatriates appointed as executives are appointed for at least three years. In addition, there are at least 20 short-term expatriate assignments monthly which could last from 14 working days to about 36 weeks to work on specific projects within the organisation. In relation to this, the branch manager noted:

“Permanent expat are appointed to key positions and they are to key positions on the management team and on the board of directors. They are consulted on specific matters within the organisation. They also contribute to helping us draft successful succession planning” (9, B-SP-N)

Knowledge transfer is most times facilitated by the HQ through the use of expatriates and this contributes to increasing the capability of employees within the firm. By so doing, the orientation of the parent company is subtly transferred. In line with this, the head of operations/IT noted that:

“Transferring know-how could take time and it takes people who understand the process to effectively and efficiently transfer knowledge successfully. The business environment is quite dynamic and it requires the right kind of investments to be successful and we need people with the right experience to help monitor these investments to ensure that it is maximised” (7, B-SP-N)

Expatriates are considered important assets and they are an important aspect of their management approach.

Table 7.2: B-SP-N Composition of the board and key executives

Board of Directors				Executive officers			
	Nationality	Educational Background	Experience		Nationality	Educational Background	Experience
Chairman*	Singaporean	BSc MA MPhil	B-SP-N Royal Bank of Scotland Citibank	CEO*	Singaporean	BSc MA MPhil	B-SP-N Royal Bank of Scotland Citibank
Vice Chairman **	Singaporean	BA MBA	B-SP-N	Deputy CEO **	Singaporean	BA MBA	B-SP-N B-SP Co Singapore, Taiwan Deloitte
Director	Singaporean	BA (Hons) MSc PhD	B-SP-N Citibank Microsoft	Chief Financial Officer	Singaporean	BSc MSc Chartered Accountants of Nigeria (ICAN) Chartered Institute of Taxation of Nigeria (CITN)	B-SP-N KPMG Fidelity Bank
Director	Nigerian	BSc and MSc (Nigeria) Member-CIBN Institute of Risk Management (UK and Nigeria)	B-SP-N Swiss Banking Corporation Citibank UK Aberdeen Asset Management plc	Chief Operating Officer	British	BA (UK) MBA (UK) PhD (UK)	B-SP-N Lloyds Bank Barclays
Director	Nigerian	BA and MA (Canada)	B-SP-N Citibank HSBC	Chief Risk Officer	British	BA (Hons) MSc PhD	B-SP-N Google Microsoft

Director	Nigerian	BA (UK) MBA (UK)	B-SP-N KPMG Citibank Deloitte	Head of HR	Nigerian	BSc MBA (UK) Fellow-Chartered institute of Personnel Management (CIPM) Associate member- Chartered institute of Bankers Nigeria (CIBN)	B-SP-N Chemical & Allied Products Cadbury
Director	Nigerian	BSc (Australia) MSc (USA) Chartered Accountants of Nigeria (ICAN) Chartered Institute of Taxation of Nigeria (CITN)	B-SP-N KPMG Fidelity Bank	Marketing/Commu nication Officer	Nigerian	BSc MBA (UK) Associate member-CIBN	B-SP-N Guarantee Trust Bank (GTB) Diamond Bank First City Monument Bank
Director	Canadian	BA (Canada) MBA (UK) PhD (Canada)	B-SP-N Deloitte Barclays	GM Sales	Nigerian	BSc (UK) MBA (UK) Fellow-CIPM Associate member-CIBN	B-SP-N FCMB Citibank Pricewaterhou seCoopers
Director	Ghanaian	BA (Hons) MSc PhD	B-SP-N Google Microsoft	Head: Internal Audit	Nigerian	BSc (UK) MBA (UK) Senior member- CIBN	B-SP-N GTB KPMG

Director	Indian	BSc MBA (UK) Fellow-CIPM Associate member- CIBN	B-SP-N Lloyds Bank Cadbury
-----------------	--------	---	----------------------------------

Source: Developed for the study

B-SP's R&S practices are quite standardised. They follow the HQ specification to the letter although there are a few adaptations which cannot be implemented without the authorisation of the HQ. However, one of the adaptations which have been enforced by the government is the NYSC scheme and B-SP must ensure that all Nigerians prospective candidates have gone through this scheme if they will work in their subsidiary in Nigeria.

It is the responsibility of each department to identify a skill gap and draw up an annual budget in cases of business or portfolio expansion. A job requisition is put forward and must be approved. A very detailed excerpt from a regional manager below explains this.

"The company generates the money and they determine how the money is spent in some sense. The business or any unit identifies a gap, a human resource gap... number one: they need to reflect this gap in the annual budget. In designing a budget for the next year, they need to create units for the new branches or create another role in a case where the business has grown, and the portfolio has grown so large that for example... two persons can no longer manage it; then there is a need for additional person and this must reflect in the budget for next year, you raise what is called a job requisition, this job requisition has to be approved by the business head whether it is the business head for wholesale bank or whether it is the business head for consumer bank or the business head for technology or the head of technology and operations". (1, B-SP-N)

The requisition plan would detail everything required from job description to the skills required. This has to follow the specification of the HQ and there is a standard template which guides this process. All the details are uploaded to the electronic platform "people soft" and must be approved before it is advertised internally or externally. The HR manager noted that:

"The requisition will specify the kind of role; the kind of level, the kind of experience, all the details is collated. The kind of depth you want the person to have, the competences that may be required, qualifications, all of that, and then it is approved. Once it is approved, you go on our platform, there is something we call people soft, that is our human resource management tool, now you go on this people soft and upload the job, this job requisition and once approved by the recruitment manager, it comes out on what we call a job watch, so it is advertised internally and externally on the website". (4, B-SP-N)

Recruitment is conducted internally and externally. Externally, the website is the main tool that is used and internally, a platform called “people soft” is used. The life span of the online advertisement is usually two weeks and in another three weeks the applications are collated and candidates shortlisted and sent to hiring managers to set up interviews. The recruitment for the international graduate scheme is managed by an agency in Dubai. According to the HR advisor and HR generalist:

“External candidates apply through our website and internal candidates the people soft platform. Every job requisition, I think stays for 2 weeks, the advert stays for 2 weeks. Whilst raising the job requisition, the interview panellists are nominated to interview the people. After 3 weeks HR collates all the applications and shortlist based on individuals that actually meet the requirement. The schedule is then sent to the owner of the job requisition; that is the hiring manager to set up interviews” (6, B-SP-N)

“There is something we call international graduate, and this includes people in Nigeria, the people that handle the recruitment are not in Nigeria. Depending on the category you apply for; if it is the international graduate you are applying for, somebody in Dubai will contact you but if it is the local professional hires like the tellers, customer service and all that, the marketers, the sales team, the credit... etc, we will handle that”. (2, B-SP-N)

B-SP recruits within and outside Nigeria for top management staff. Within Nigeria, this is achieved using specialised agencies through the process of head hunting and this guarantees speed and the right candidate. Due to the competitiveness of the Nigerian market, internal recruitment is encouraged as best talents are retained and invariably encouraging career progression. The manager noted that:

“For top management positions, we recruit within Nigeria and abroad. It is important to the company that the individuals have some level of international experience. Locally, we encourage internal promotion depending on the type of job. For example, in Nigeria there is a shortfall of IT specialist and it is important for us to retain our best IT analyst especially those of them who have been with us for a while or those of them who have worked closely with some of our competitors”. (9, B-SP-N)

The regional manager explained that from his experience of working in a number of countries, he observed that:

“Our R&S practices are pretty much standard; although there may be some adjustments but they are not necessarily significant. There is a strong emphasis for high performing workforce and the process of R&S plays a vital role in ensuring that”.
(1, B-SP-N)

Selection

Selection of worthy candidates is based on the job specification bearing in mind their qualification, level of experience, skills and competence. The selection process is a standard one and is similar to what is obtainable from the HQ. The standards are set by the HQ and line managers are involved in the entire process. The HR generalist commented:

“The line managers are involved in the entire process. The CVs of the shortlisted candidates are sent to them as they know what sort of person they are looking for and will be working with the selected candidates eventually” (2, B-SP-N)

B-SP has a tool known as “the sifter” and it automatically excludes CVs that do not meet the requirements. B-SP gets as many as 3,000 CVs per job application and the tool comes in handy as it is impossible to manually sift all the CVs and then those ones selected would be manually screened before successful candidates are shortlisted for the first phase of the selection process. The branch manager mentioned that:

“You download the CV, we have something like the sifter: it automatically just discards CVs that do not meet the requirement. The rate of unemployment in this country is just high, you advertise and you can have up to 2,000–3,000 for just one application. The system sieves the CVs and recommends the ones that meet the criteria. You can now shortlist depending on the number of people you want to recruit to fill that role. For generic roles like teller you might recruit 10–15 tellers for all the branches, you download maybe 60 CVs and you start testing them. The ones that pass, will move to the interview stage and at the interview stage you now decide on the best 15 and the branches they will be going to” (9, B-SP-N)

All employees are required to write a test except for top management staff members who are exempted from this process. They are directly interviewed by someone from the HQ. Commenting on this, the regional manager noted that:

“For some levels, from entry level-grade 10 to third level-grade 8, they are required to write an ability test and pass it before the face-to-face or phone interview as the case

may be. After the interview, selection is done. This test used to be open to everybody, even if you are coming in as a GM, you write the test but they have stopped that a year ago. For example, I have interviewed candidates from different countries and selection could be made based on that.... invariably, I decide how the process runs.” (1, B-SP-N)

The challenges of this process were highlighted. HR only plays a supportive role as they are not 100% involved in the whole process as may be found in many organisations. In line with this, the HR analyst pointed out that:

“The challenge is, the whole process sits more with the business and HR only provides support unlike other organisations I am aware of where it is HR that oversees the process-the interview. But here it is slightly different; it is the unit that want the person that will conduct the interview. Unless, you now go out of your way to invite the HR to please sit in the panel... For example, when the branch manager hires, he conducts the interview and the selection. So depending on who is selecting it cascades from one level to another level until it gets to the final level where the final decision is taken” (10, B-SP-N)

Overall, the process of R&S is a standard one and it cuts across all branches globally.

b. Training and development

This is a very important policy in B-SP. The HQ has a strict standard as to how it is implemented and everything concerning this policy is detailed in the employee manual which is updated by the HQ from time to time. HR managers and specialists, line managers of other functional departments, senior managers and others who are involved with people-related issues refer to training manual for policies on T&D. Previously, the department had two segments but it has been merged into a single academy called the “Customer Banking Academy” (CBA) that caters for the training needs of the whole bank. According to the HR manager:

“We used to have two different training arms. It has been merged into one training arm that is recognised, it is called CB Academy – Consumer Banking Academy – it is a full academy. Before they used to just cater for consumer banking team but now in Nigeria they cater for wholesale as well and in fact they cater for the whole bank.

This has helped to reduce the cost of training considerably whilst increasing the quality of training provided” (4, B-SP-N)

A number of training programmes and simulation exercises are conducted at the headquarters, the subsidiary or electronically and all employees within the organisation are involved in this training from the moment they are given a letter of appointment. Ninety-five percent of B-SP’s trainings are conducted internally and 5% externally. The nature and the content of training depend on the job level/grade. Notwithstanding, there are mandatory trainings that everyone must undertake so as to have a grip on what the bank is about and they are conducted electronically. The operations manager noted that:

At CBA, we do a lot of stimulations within that place. Everyone that joins the bank starts from the very beginning. We also have a lot of e-learning... mandatory e-learning that must be done by staff members. For some of the key policies of the bank, employees have to know them through e-learning. There is something we also call the “one-readiness”, that as soon as one joins the bank not more than eight weeks, they are expected to go to that training school. Employees get to understand every part of the bank, what each part of the bank does and all the things that are important to us as a bank, so they come out properly groomed. Then after that, we also have what we call right start. This is to give the employee a whole feel of the bank. Right start is for about one week. Day one readiness is specific to consumer bank, so they teach the employee the various products, various arms of consumer banking. Right start is for everybody” (5, B-SP-N)

After the introductory trainings are completed, an annual individual and development plan is drawn with the employee’s line manager to understand their training needs. This is important as the budget must be justified. There are different courses available and some of them are tailored to different departments specifically and for senior managers, leadership trainings and some certification courses are provided. Most of the trainings for senior managers and some technical staff are conducted aboard. The regional manager noted that:

“And then thereafter, there is something we call individual learning and development plan (ILDLP). So on a yearly basis, you sit down with your line manager and agree your training need. There are a whole lot of courses that are available; they will publish all the ones available for each year, so you will go through all that. At some senior level you start doing some various leadership trainings, certifications and so on. And there are some training that are specific to various businesses, so if you are in SME, there is, I think they call it fit to sell. There is a whole programme and

certifications you need to do. If you are in what we call wealth management, there something we call wealth management boot camp you need to go through, it is an international certification, there is whole lot of it, If you are a branch manager for instance, there is one for branch managers, I think they call it power to perform or so, you need to go through it as well” (1, B-SP-N)

A strategy that has been adopted by the bank to reduce the cost of training without compromising the quality is using facilitators from within the bank (Nigeria, HQ and other subsidiaries) but in some cases, for example: soft skill they use external consultants. The HR generalist and head of operations/IT noted that:

“Most times, the training facilitators come from within the group. For instance, someone can come from Kenya, to train some employees in Nigeria on a particular thing. Other times, you could have someone coming from India to train depending on the training specification. In the area of soft skill training, we involve external consultants. We dedicate a whole week usually around September to training” (2, B-SP)

“We also hire consultants when it is necessary... if it is extremely necessary, we can bring in a consultant. They also have certification programmes, they do not belong to us, we don’t have the copyright, and it is external. Omega Performance is one of the external companies that support us. There a few other organisations like that that supports us” (7, B-SP-N)

Even though B-SP has a standard policy which has been documented by the HQ, training in Nigeria may not be 100% the same as what is being done at the HQ as they have to incorporate some trainings that may apply only to the Nigerian market but overall, it is similar to that of the parent company. According to the HR advisor:

“Our training may not be exactly the same as the HQ but it is very similar. We have the same person travelling from one country to another training people and what that does for us is that it makes us think beyond this country. However, when people leave the bank and move on to work for a local company, it becomes a challenge. They realise that they are fit for an international market but not fit for a local market. This we gathered from some of our exit interviews” (6, B-SP-N)

Annually, a budget is allocated towards HR from the HQ upon request from the subsidiary. A training plan with details of the cost is designed by the L&D manager and upon approval; a budget is set aside for it. Previously, B-SP spent an average of N50,000,000, equivalent to

\$250,000 annually, but with the merging of the two different arms of the academy, they have reduced this cost by 20%. Every employee is entitled to a minimum of 60 hours of training annually. This reflects how rigorous their training programmes could be. This is reflected in the words of the regional manager....

"We pride ourselves as the best trainer in the world and we are recognised for that. The bank invests so much money in training employees as this gives us a cutting edge in the market" (1, B-SP-N)

c. Performance appraisal

B-SP has a performance management process that is quite transparent. The company performance management is a management policy; top management is constantly involved in improving the organisational performance and it is not just the responsibility of HR. The process is a standardised one and at the beginning of every year, they set objectives for everyone which is followed up by an interim review in July in which the performance of the employees is tracked with a final review in November/December. A 1–5 rating system and an A–D value rating scale which is based on the key performance area (KPA) are utilised in the company (see table 7.3 for details). The regional manager describes the process:

"First of all, this organisation has the most transparent process I have ever seen as this is in the five organisations that I have worked for. The appraisal process begins at the start of the year at the beginning of the year where job objectives for every individual are agreed upon and it is cascaded, including the financial part. After which, the budget is drawn. Everything is very clear and everybody knows what their financial budgets are. But beyond that, as a regional manager, I am expected sit down with my people and go through the objectives, some are financial other are not financial. This is clearly articulated and it is clear what the measures are" (1, B-SP-N)

It is the responsibility of managers to ensure that employees understand what is expected of them in order to minimise assumptions by discussing set objectives and monitoring behaviour monthly. This is published on the platform using an automated system so that employees and team members can track their performance. It is the responsibility of managers to discuss employees' performance regularly.

According to a regional financial controller:

“For the bank, the process entails: step 1: having that discussion around objectives, so you set the objectives. Step 2: you start monitoring behaviours on a monthly basis. So we have monthly score cards. Every month employees know the expectations are across all lines, so at the end of the month, the business intelligence unit (BIU) will publish how people are fed against those set monthly objectives and ratings are given. This is an automated system and it is published based on what the BIU team sees. This has nothing to do with personal differences with the employee. I cannot rate the employee a 5 at the end of the year as I have to go to the bank management and defend why the person has a 5. So there is a monthly score card that helps to monitor this. Again, the bank manager is supposed to be having performance discussions regularly” (3, B-SP-N)

The action plans are carefully drawn up by the managers of various departments for individual employees following their job description and targets are clearly outlined. The rating system is formally explained and expectations clearly outlined as to how they can achieve expected evaluation levels.

The performance standard is consistent with what is obtainable at the HQ and other subsidiaries globally and it is a useful tool in helping B-SP make decisions regarding promotion, termination employee training and career development. The PA also helps in identifying HIPOS. The financial controller noted that:

“B-SP has the same system with the HQ. This is to ensure consistency globally. These standards help B-SP to make decisions regarding promotions, transfers, salary reviews, training and career planning” (8, B-SP-N)

Table 7.3: Rating system/percentages

Rating scale	Rating value	Evaluation level	% for different levels
1	A+	Outstanding	21-17%
2	A	Exceeds expectation	11-16%
3	B	Meets expectations	4-10%
4	C	Below expectation	3%
5	D	unsatisfactory	0%

d. Compensation and benefits

B-SP act in accordance with the local labour market laws. These laws influence their compensation and benefit system. This practice is differentiated to a large extent with that of the other subsidiaries. The company is a high-performing organisation and they make certain that their pay structure is quite competitive so as to retain the best employees in the industry; however, a bench mark is maintained. Despite the differentiation of this policy in different markets, B-SP maintains some principles of compensation globally; for instance, pay for performance, but some modifications are made to ensure that they fit in with the local market and maintain their competitive advantage. According to the regional financial controller:

“What we do is to bench mark with the local market as it were, we use what is called the market median. A study is carried out by a consultant, say Accenture, for us every year and they check say the top 10 banks in Nigeria to know what are the pay ranges and bench mark against an average of that. Looking at other African markets... for example India, one person’s pay here, e.g. my grade here can pay like four persons of the same grade in India, so you do not bench mark really against the group, you bench market across the local market” (3, B-SP-N)

Compensation and benefits vary across different position and job description. Some positions (IT specialists) have a shortage in the Nigerian market and increase the demand for such persons. It is import to retain these people by reviewing their compensation plan to minimise attrition rate in this field. Promotions and bonuses are not given based on length of service but on individual performance per review. The HR manager stated that:

“Although, the subsidiary is at a liberty to determine pay but it has to be done with clear guidelines from the HQ. They will specify clearly how this should be carried out to eliminate confusions and it is really important to the HQ that there is consistency in the application of this practice. Most times this is set in percentages depending on what it is” (4, B-SP-N)

As noted by the financial controller in the previous section, the PA system is used to make decisions on promotions, career planning and is used to identify HIPOS. Furthermore, the HR analyst highlights the association of PA with promotion and how this is linked to career planning:

“Employees can be promoted based on individual performance. Promotion is one way that we identify HIPOS and this helps us as an organisation put in place a feasible and successful career plan” (10, B-SP-N)

Pay is determined following a structure. There is a base pay which applies to all employees and this varies depending on the level. For executive directors, it is set on the upper quartile considering individual experience and the benchmark with other competitors in the market. The base pay is not the only element of remuneration although it the core. The HR generalist noted:

“Even though the remuneration is tailored to that market, the performance of the subsidiary and the individual... the directors are given high bonus and shares which brings the total remuneration to the upper quartile” (2, B-SP-N)

Pay is also related to performance. There is a variable scheme which is based on percentages that are established by the HQ to encourage employees to improve performance. From table 7.4 it is clear that the highest weighting is apportioned to performance-related components.

Table 7.4: Remuneration target for senior managers

Classification	% of remuneration
Base pay	30%
Additional benefit	44%
Long-term incentives	26%

For other employees, the determination of base pay follows that of the senior managers. Ultimately, the target of B-SP is to ensure that it follows the same approach, which is to benchmark the total compensation plan to the relevant market. In addition to this, there are a number of benefits provided for all employees by B-SP. They include: pension plan, sick leave, health insurance, annual leave, maternity/paternity leave, discounted gym membership, voluntary saving plan, car allowance (varies depending on level) etc. These benefits are provided following global, local market guidelines and competitive practice.

B-SP employs over 68,000 persons globally and the subsidiaries have different local conditions. This means that the compensation plan for these subsidiaries would have different structures following the varied living costs and exchange rate fluctuations. The regional financial controller noted:

“Nigeria is a very unique market. If I compare the economy of Nigeria to Ghana or Kenya.... the latter countries are well off... I do not know if that is one of the reasons why their people are not that ambitious and this influences the pay levels. In Nigeria the pay is far higher than what is obtainable in Ghana or Kenya. What we do is to bench mark with the local market as it were, we use what is called the market median. A study is done annually by a consultant – Accenture – for B-SP where they check say the top 10 banks in Nigeria, their pay ranges and benchmark against an average of that, because if other African markets are considered, one person’s pay in Nigeria.... For example, the pay for my grade can pay like 4 persons of the same grade in some other African countries, so B-SP do not benchmark really against HQ but against the local market”. (3, B-SP-N)

Freedom is given to the subsidiary to design their remuneration plan; however, they must adhere to the specifications of the HQ. If adjustments must be made to the size of the bonus, approval must be sort from the HQ.

e. Employee communication and consultation

B-SP has a structured mode of communication. Communication with employees and this is overseen by the Corporate Affairs Department (CAD). This is to make certain that communication is very efficient and effective. The regional manager noted that:

“The CAD takes care of all external and internal communications. Previously, subsidiaries were allowed to manage communication but as technology progressed and best practices emerged, the HQ migrated all communication to go through the CAD and if there were critical or important issues to be communicated to all members of staff, all we need to do is to send an email to CAD with the information and they pass it on to all staff members” (1, B-SP-N)

A central system called Human Resource Information System (HRIS) is in place where information is passed on from management to all employees irrespective of the location. All staff have access to this system and information there is updated regularly by a team of IT specialists. The system helps to support every aspect of the business. According to the HR generalist and HR advisor:

“We have a system in place which we call Human Resource Information System (HRIS). Every staff has the responsibility to check the system regularly for any

updates using their personal password to gain access. Information ranging from internal departmental to regional and to information from the HQ. This is the fastest way to communicate to employees and it has proved effective over time. We have a team of dedicated IT staff and they see to it that the system works and this is done in collaboration with the HQ” (2, B-SP-N)

Furthermore, the HR advisor said that:

“The HRIS supports other areas of management within the organisation...areas such as job requisition which helps in advertising, review CVs, review performance, manage leave requests, help in generating training reports, job rotation and transfers, resignation and also help in calculating compensation and benefits” (6, B-SP-N)

Communication is facilitated through various channels such as: constant emails, quarterly newsletters, weekly review meetings with line managers providing new information regarding the departments’ previous plans and improvement measures and annual financial reports for shareholders. The operations manager added that:

“Communication is also facilitated through sending out constant emails. Staff members constantly need to check their emails especially during office hours in order to be updated with any information. At the start of every week, line managers and staff members of relevant departments have a meeting to review previous action plans and discuss ways to improve them in view of organisational goals. Newsletters are also published quarterly and annual financial report which is also made available to shareholders”. (5, B-SP-N)

In general, there is a no trade union policy in the organisation; employee representation in any way is prohibited and it is also stated in their code of conduct. More information is provided for staff members regarding issues that border on health and safety, employee grievance, harassment, dispute resolution, dealing with bribery and corruption and many other issues in their code of conduct. The HR analyst noted that:

“We do not have strong union in B-SP as this is strongly prohibited and stated in our code of conduct. The only sector where foreign organisations experience the influence of union activities in Nigeria is the oil sector. Overall, the powers of the union have been strongly weakened in this country... due to high unemployment rate and lack of confidence in union activities. They do not have the power to effect lasting change. In countries like Ivory Coast, union activities in the financial sector are visible. For example in Nigeria we have been asking management for 15%

maximum increment this year in our wages but we were not able to reach our target but in Ivory Coast, their union was able to push it up 20%” (10, B-SP-N)

Overall, employee communication is quite structured and detailed and there is a strong emphasis on the content communicated, ensuring that employees understand it and that it is implementable.

7.5 Conclusion

This chapter sought to detail all that was found out during the interviews about B-SP-N regarding the nature of their HR practices, the nature and process of integrating HRM policies and practices into the subsidiary and the role of HR in facilitating the transfer.

The HR practices investigated are: recruitment and selection; training and development; performance management; compensation and benefits; and employee communication and consultation. However, there are certain factors that shape the nature of the transfer of the HR practices (further details provided in the analysis section). These factors include: host country effect, industry sector, international structure and strategy, top management beliefs, home country effect, international experience and subsidiary role.

However, the actions of both the home and the affiliates were shaped by some institutional factors within the subsidiary such as: culture and government policies. This resulted in the adjustment of some policies, such as compensation and benefit, complying with the local labour law. Also, due to the competitiveness of this sector, the company is forced to adjust this policy so as to improve their competitive position in the market.

CHAPTER EIGHT: OVERVIEW AND COMPARISON OF CASE STUDIES

8.1 Introduction

The previous four chapters comprehensively detailed findings from the individual case companies. This chapter compares the four cases in relation to the objective of the thesis, which is to analyse the process of transferring HRM policies and practices, examining the role of the HR department in transfer of HRM, and the factors that influence the transfer of practices. The comparison will help us to find general tendencies, similarities and differences.

This chapter is divided into four main sections as depicted in Fig 8.1: first, a discussion on the nature of the HR policies and practices; second, a discussion on the process of transferring HRM policies and third, practices and within this the role of HR in the transfer process would be discussed. Finally, discussion of the factors that influence the transfer of practices. Following this is a section to conclude and summarise the previous sections.

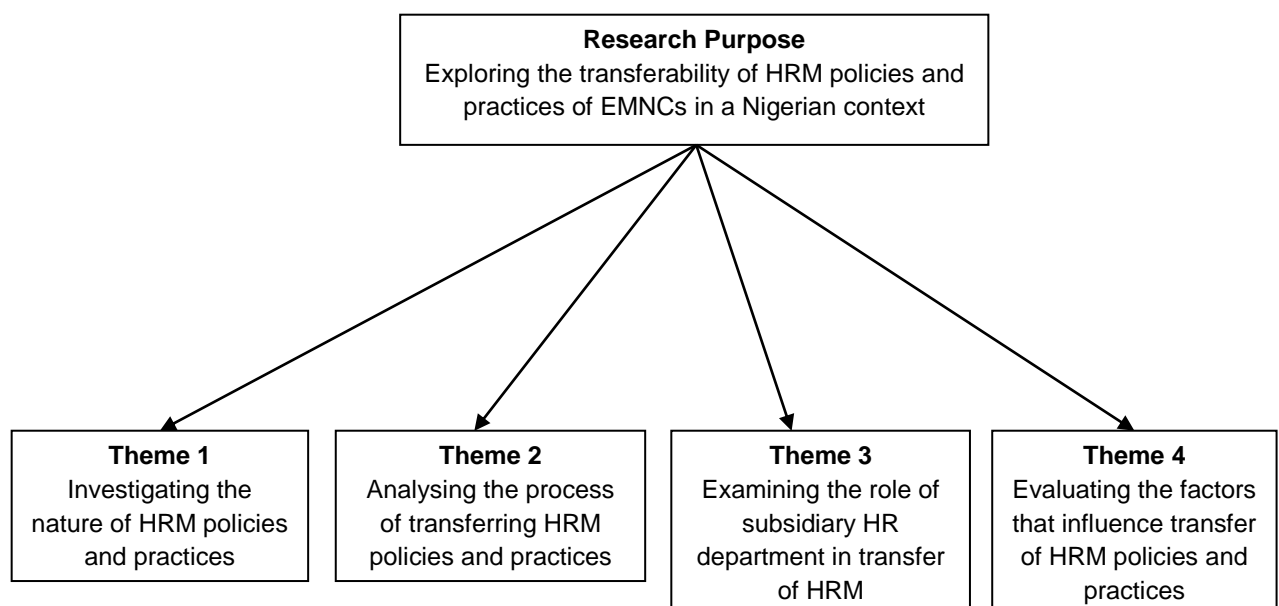


Figure 8.1: Diagrammatic representation of the research objectives

8.2 Human Resource Practices: Their Similarities and Differences

In this section the main similarities and differences with regard to the HR function and HR policies and practices implemented within the four case organisations are discussed. These are summarised in Table 8.1.

Table 8.1: Findings of the HR Function and Policies

	T-SA-N	T-UE-N	B-SA-N	B-SP-N
Function of HR	HR division exists in this company which is headed by the HR director who is also a board member	HR division exists in this company which is headed by the HR director who is also a board member	HR division exists in this company which is headed by the HR director who is also a board member	HR division exists in this company which is headed by the HR director who is also a board member
	Quarterly report to the HR department at HQ	Bi-annual reports are sent to corporate HR	Monthly reports are submitted to the HR department at HQ	Quarterly report to the HR department at HQ
	Adapting any HR policy is based on HQ's specification	Adapting any HR policy is based on HQ's specification	Adapting any HR policy is based on HQ's specification	Adapting any HR policy is based on HQ's specification
	Some delegation to line managers supported by budget control and target setting	Some delegation to line managers supported by budget control and target setting	Some delegation to line managers supported by budget control and target setting	Some delegation to line managers supported by budget control and target setting
Staffing/ Recruitment and selection (R&S)	14 directors and 8 key executive officers of different nationalities including the CEO in Nigeria	10 directors and 7 key executive officers of different nationalities including the CEO in Nigeria	12 directors and 11 key executive officers of different nationalities including the CEO in Nigeria	10 directors and 9 key executive officers of different nationalities including the CEO in Nigeria
	26,800 employees globally and 5,000 in Nigeria No of expatriates in key positions: 13 No of Nigerians in key positions: 10	52,800 employees globally and 5,000 in Nigeria No of expatriates in key positions: 10 No of Nigerians in key positions: 5	68,000 employees globally and 2,000 in Nigeria No of expatriates in key positions: 6 No of Nigerians in key positions: 11	86,000 employees globally and 2,000 in Nigeria No of expatriates in key positions: 11 No of Nigerians in key positions: 8
	Categories of employees <ul style="list-style-type: none"> • Full-time employees • Temporary employees 	Categories of employees <ul style="list-style-type: none"> • Full-time employees • Full-time expatriate employees • Secondees 	Categories of employees <ul style="list-style-type: none"> • Permanent employees • Non-permanent employees Sub-categories new hires, replacement hires and unbudgeted hires	Categories of employees <ul style="list-style-type: none"> • Full-time employees • Temporary employees

	T-SA-N	T-UE-N	B-SA-N	B-SP-N
	Recruitment Criteria Appropriate skills, qualification and experience	Recruitment Criteria Appropriate skills, qualification and experience	Recruitment Criteria Appropriate skills, qualification and experience	Recruitment Criteria Appropriate skills, qualification and experience
	Recruitment Method External: Online system (company's website, specialised websites like niaajobs.com etc); newspapers, universities via internship scheme. Internal: advertising via office intranet, word of mouth among employees, promotions	Recruitment Method: Company's website, other recruitment website, newspapers and referrals from existing staff members Fulltime expatriates-recruited by the HQs Quota allocated to Nigerian investors for prospective candidates	Recruitment Method Externally- job portals, company's website, national dailies, referrals and indigenous and foreign recruitment agencies Internal advertising via office intranet and promotion	Recruitment Method Externally-company's website, specialised agencies, head hunting Internally- a platform called "people soft" is used
	Selection Criteria Candidate's qualification, competence, skills and experience and completion of NYSC programme	Selection Criteria Candidate's qualification, competence, skills and experience and completion of NYSC programme	Selection Criteria Candidate's qualification, competence, skills and experience and completion of NYSC programme	Selection Criteria: Qualification, level of experience, skills and competence and completion of NYSC programme
	Selection Method Computer-based ability tests, face-to-face interview, personality and psychometric tests	Selection Methods: Staff assessment, analyst assessment centre, structured interview, specialist assessment Top management- executive interview, technical and psychometric tests	Selection Methods: Personality tests, competence-based interview, psychometric testing, technical ability tests and role plays.	Selection Methods Ability test, face-to-face or phone interview
	Training and development			
	Each employee- minimum 10 days of training days annually	Each employee- minimum number of training days (7-14 days) annually	Each employee- minimum number of 30hrs of professional development annually	Each employee- minimum of 60 hours of T&D annually
	In house- learning and development centre- 75% Externally by recognised specialised organisations- 25%	In house- learning and development centre- 75% Externally by recognised specialised organisations- 25%	In house- training institute- 90% Externally by recognised specialised training company- 10%	In house- CBA- 95% Externally by recognised consultants- 5%
	HQ specify training programme and approves the training budget	HQ specify training programme and approves the budget	Training track used in identifying training programmes; HQ approves training budget	HQ specify training programme and approves the training budget

	T-SA-N	T-UE-N	B-SA-N	B-SP-N
	Nearly N35,000,000 (\$176,000) is invested in training, an increase of 40% from 2013/14 figures	Nearly N40,000,000 (\$200,000) is invested in training, an increase of 25% increase from 2013 figures	Nearly N40,000,000 (\$200,000) is spent on training; an increase of 20% this year from 2013	An average of N50,000,000 (\$250,000) is invested annually but a merging of the two different arms of the academy reduced this cost by 20%
	HQ specify T&D criteria (give their input on qualifications, skills and competencies needed at their subsidiaries)	HQ specify T&D criteria (give their input on qualifications, skills and competencies needed at their subsidiaries)	HQ specify T&D criteria (give their input on qualifications, skills and competencies needed at their subsidiaries)	HQ specify T&D criteria (give their input on qualifications, skills and competencies needed at their subsidiaries)
	Occasional / temporary visits/transfer staff from the HQ	Staff visits and exchange programmes from the HQ	Occasional visits from the HQ	Occasional visits from the HQ
	Dichotomised T&D policy corporate training for managerial and non-managerial positions T&D to develop capabilities, career development & succession planning	Differentiated T&D policy corporate training for managerial and non-managerial positions Adaptation of some aspect of the policy due to some contextual factors (Nigerian Communication Commission (NCC) guideline, composition of employees, areas of interest, position, etc.)	HQs approves training budget Different training programmes for various categories of employees	Different training programmes for various categories of employees
Performance appraisal	<ul style="list-style-type: none"> • Standardised • Target setting Rating system linked to objectives • Semi-annual performance development plan a year • Promotion is based on performance 	<ul style="list-style-type: none"> • Standardised • Target setting Rating system linked to objectives • Semi-annual performance development plan a year • Promotion is based on performance 	<ul style="list-style-type: none"> • Standardised • Target setting Rating system linked to objectives • Semi-annual performance development plan a year • Promotion is based on performance 	<ul style="list-style-type: none"> • Standardised • Target setting Rating system linked to objectives • Semi-annual performance development plan a year • Promotion is based on performance
Compensation and benefit	<ul style="list-style-type: none"> • Standard policy but locally adjusted • Individual fixed pay and performance-related bonus 	<ul style="list-style-type: none"> • Standard policy but locally adjusted • Individual fixed pay and performance bonus structure is based on percentages 	<ul style="list-style-type: none"> • Standard policy but locally adjusted • Individual fixed pay and performance-related bonus 	<ul style="list-style-type: none"> • Standard policy but locally adjusted • Individual fixed pay and performance-related bonus

	T-SA-N	T-UE-N	B-SA-N	B-SP-N
	• Basic salary is determined by benchmarking local market rate Compensation package for managerial staff/ expatriates is decided by HQ	• Basic salary is determined by benchmarking local market rate Compensation package for managerial staff/ expatriates is decided by HQ	• Basic salary is determined by benchmarking local market rate Compensation package for managerial staff/ expatriates is decided by HQ	• Basic salary is determined by benchmarking local market rate Compensation package for managerial staff/ expatriates is decided by HQ
Employee communication and consultation	Structured mode of communication Facilitated through various channels: central portal system, e-mails, bi-monthly newsletters, regular meetings in different department, employee manuals	Structured mode of communication Facilitated through various channels: portal system, emails, bi-monthly newsletters, regular weekly staff meetings in different departments involving managers/ supervisors and staff and meeting between top management and employees held at the start of every week to ensure that employees are working in line with organisational set goals.	Structured mode of communication Facilitated through various channels: central portal system, emails, quarterly, newsletters, employee manuals and regular meetings are held to review targets and milestones	Structured mode of communication overseen by CAD Facilitated through various channels: a central system HRIS, constant emails, quarterly newsletter, weekly review meetings with line managers where new information regarding the departments' previous plans and improvement measures and annual financial reports for shareholders
	Effective two way communication facilitated through emails	Effective two way communication		
	No trade union activities	No trade union activities	No trade union activities	No trade union activities

Source: Developed for the study

Information was gathered from the subsidiaries to understand how HRM policies are decided in the EMNCs and the extent to which subsidiaries are allowed to adapt the policies. Information regarding the nature of policies and practices was gathered with regard to recruitment and selection, training and development, compensation and benefit, the design and use of appraisal system which are traditional HRM practices (Huselid *et al.*, 1997) and communication and consultation.

As demonstrated in Table 8.1, many similarities are observed from the four case companies in terms of the nature of the role of the HR function and HRM policies. From the findings, all the HRM policies are initiated at the HQ and transferred to the subsidiaries for implementation.

Staffing composition

In the four case companies, expatriates were largely utilised and filled important positions within the organisation. Previous research shows that in subsidiaries where more expatriates are found, they are likely to have HR practices that are similar to the parent company (Bjorkman and Lu, 2001; Myloni *et al.*, 2007). It was found that in three cases (T-SA-N, T-UE-N and B-SP-N) the number of expatriates in key positions exceeded that of the HCNs which is reflective of a more ethnocentric approach except for B-SA-N where the number of HCNs in key positions exceeded that of expatriates. Globally, B-SP-N has the largest number of employees (86,000) compared to B-SA-N, T-UE-N and T-SA-N with the number of 68,000; 52,800 and 26,800, respectively. Findings also reveal that T-SA-N, B-SA-N and B-SP-N have two main categories of employees: full-time employees and temporary employees; permanent employees and non-permanent employees; and full-time employees and temporary employees, respectively, except for T-UE-N which has three categories: full-time employees, full-time expatriate employees and secondees. The findings from the four case companies also revealed that managers at the parent company and also at the subsidiaries have studied at western universities and have worked with western MNCs.

Recruitment

Findings revealed the main sources and criteria of recruitment of the right candidate. The respondents highlighted the procedure of R&S policy; the essence of gathering this data is to ascertain the extent to which this practice is similar or different from the HQs. The findings from all the case companies highlighted that they all have similar recruitment policies that have been partially adapted to the Nigerian context. Nevertheless, the degree of type of adaptations varied from one EMNC to another.

The four case companies (T-SA-N, T-UE-N, B-SA-N and B-SP-N) exhibit some similarities in the recruitment criteria used in their companies. They all look for candidates with appropriate skills, qualification and experience. From Table 8.1, it can be noticed that the four EMNCs had different degrees of adaptations in their recruitment process. This can be observed from the methods through which the right candidates were selected. All case companies used online recruitment. Secondly, the use of personal relations was another common practice in T-SA-N, T-UE-N and B-SA-N, except B-SP-N and perhaps this is also a Nigerian factor (Okpara and Wynn, 2008). Employees are also used as a source of recruitment, and one of the companies (T-SA-N) gave bonuses to employees who referred qualified candidates. The subsidiaries were following the HQs' recruitment process in terms of the criteria which were fairly standard; however, they were adapting the sources to varying degrees; for example: T-SA-N partnered with some universities; internal referencing is used by T-SA-N, T-UE-N and B-SA-N, although they were also constrained by budget approval from the HQs. The findings also revealed that senior managers and expatriates were recruited using a different method. T-SA-N, T-UE-N, B-SA-N and B-SP-N recruit for top management mostly outside Nigeria and also using headhunting via specialised agencies given the time frame; the findings corroborate with the evidence from the literature (Harris and Moran, 2001) that HQs only intervene with the recruitment and selection of senior managers at the level of top management.

Selection

Findings revealed the main sources utilised in the selection of the right candidate. The four case companies (T-SA-N, T-UE-N, B-SA-N and B-SP-N) exhibit some similarities in the selection criteria used in their companies. They select candidates with appropriate qualifications, competences, skills, experience and completion of the NYSC programme. The selection criteria were specified by the HQs except for the NYSC programme which is a mandatory government regulation in Nigeria. From Table 8.1, it can be noticed that the four EMNCs had different degrees of adaptations in their selection process. This can be observed from the methods through which the right candidates were selected: T-SA-N, B-SA-N and B-SP-N used ability tests and psychometric tests were used by T-SA-N, T-UE-N and B-SA-N.

Training and development

All the case companies (T-SA-N, T-UE-N, B-SA-N and B-SP-N) emphasised the importance of T&D, especially high potential employees and training managers overseas so as to strengthen their technical and leadership skills and to facilitate social networking. The

number of days and the budget allocated to training indicates the importance of this policy; although this varied from one case company to another. T-SA-N allocates a minimum of 10 days to each employee annually, T-UE-N allocates 7-14 days; B-SA-N allocates 30 hours and B-SP allocates 60 hours. For the amount invested in training, T-SA-N invests nearly \$176,000 annually, which is an increase of 40% from 2014; T-UE-N invests about \$195,000, an increase of 25% from 2013; B-SA-N invests nearly \$200,000, an increase of 20% from 2013 and B-SP-N invests around \$250,000. In all the case companies, training costs increased in varying degrees except for B-SP-N, which reduced their training cost by 20% by merging two different arms of the academy. From the four cases, findings reveal that B-SP-N and B-SA-N spend more in training in comparison to T-SA-N and T-UE-N.

The percentage of the internal to external training is quite similar for T-SA-N and T-UE-N which is: Internal- 75% and External-25% and this differs from B-SA-N and B-SP-N which is: Internal- 90% and external- 10%; Internal- 95% and external- 5%, respectively. Overall, all case companies engage more in internal training than external training.

The findings from all the case companies (T-SA-N, T-UE-N, B-SA-N and B-SP-N) also revealed that HQ only interfere by providing standard training for top management and the findings corroborate with the evidence from the literature (Harris and Moran, 2001) that HQs only intervene for top management. In T-SA-N, the HR department cannot finalise on this. The final decision is made by HR department at the HQ.

Performance appraisal

The appraisal design used in all four cases was based on evaluations linked to set objectives and targets and a cap is placed on the number of employees who could obtain a rating score. To ensure consistency, the appraisal system is supported by technology which is used in all subsidiaries globally. The tools vary from one company to another; for example, B-SA-N has software that measures customer KPIs and it is linked to employees' performance indicators and turnover; similarly, B-SP-N has an automated system which publishes based on what the BIU team sees. The organisations displayed a moderately high standardised performance management system.

It is quite evident that the parent country is enforcing this practice using a standard process to convince the subsidiaries to adopt their appraisal system. The balance of power between the PC and the subsidiaries is exhibited when there is the desire to standardise (Kostova, 1999; Bartlett and Ghoshal, 1998). For this practice the balance of power tends towards the PC and this is because of the company desire to have standard criteria globally; this will

ensure that competency language is spoken and leadership capabilities sustained (Schuler *et al.*, 1993; Brodbeck *et al.*, 2002). This is consistent with the trend in the literature that performance appraisal is more standardised (Muller, 1998; Dunning, 1998; Geary and Roche, 2001).

Compensation and benefits

For compensation and benefits, the four case companies (T-SA-N, T-UE-N, B-SA-N and B-SP-N), are more adaptive and do not emphasise the HQ's practice regarding this practice. Generally, an adaptive approach is sustained in cases where the labour law of a country regulates a certain practice or due to the local market characteristics. Respondents in the four cases emphasised that in as much as the subsidiaries are encouraged to follow standard policies they are still careful about violating local laws as it has to do with compensation. Additionally, all four companies implement individual performance-related pay, although this practice is less standardised as it is completely market-driven and had a peculiar local pay structure which is compared with competitors in the industry.

Adaptation of this practice is supported by the local market rate, local laws and the cost of living (Festing *et al.*, 2007). Salary levels are decided based on the cost of living (Aycan, 2005). The companies pay above the stipulated minimum wage and with the increase of competitors, companies have to review their rates or risk losing specialised personnel to their competitors. Previously, T-UE-N designed their salary based on HQ's rate; they used to pay their employees in USD but observed that companies in the same sector paid less than they did. This isomorphic pressure (DiMaggio and Powel, 1983) from subsidiaries in the same sector explains their response to their pay strategy. According to Rosenzweig and Singh (1991), subsidiaries are constantly faced with the pressure to adapt local practices to suit the local context and at the same time experiencing a pull to "achieve internal consistency" with the organisation by implementing practices from the PC. In this study, the subsidiaries

Employee communication and consultation

The four case companies (T-SA-N, T-UE-N, B-SA-N and B-SP-N) did not encourage any form of union activities by their employees and this is stated in the employee manual; however, they established an effective and efficient communication system which increased employees' participation. This supports Wood and Brewster's (2007) findings that although emerging MNCs seek to establish close relationship with the government and 'elite' organisations; nevertheless, they tend to avoid relations with trade unions.

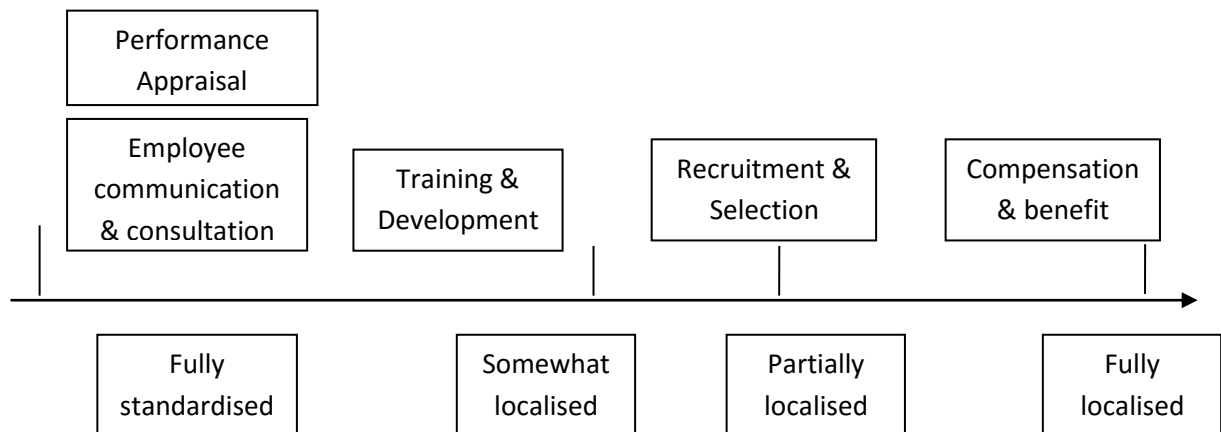
The communication systems in the four cases (T-SA-N, T-UE-N, B-SA-N and B-SP-N) explored were quite structured and standard and they were facilitated through different channels; such as: portal system, emails, newsletters, regular weekly staff meetings, employee manuals etc., which varied from one company to another in terms of frequency of use. For example, T-SA-N and T-UE-N published their newsletter bi-monthly whilst B-SA-N and B-SP-N published quarterly. The employee manual was quite standardised and it detailed all policies including the code of conduct, which is linked to the organisational culture; they provide detailed guidelines to help subsidiaries in making decisions and regulate their behaviour within and without the organisation (Gauthier, 2001).

The findings confirm theory that MNCs adopt an IHRM approach which best supports their strategy for dealing with the difficulty between standardisation and differentiation (Dowling *et al.*, 1999). This is contributing to the findings that different IHRM approaches could be used concurrently and is contingent on the “strategic importance” of the policy. Nevertheless, it is noteworthy to mention that, according to Harris and Moran (2001), a number of IHRM approaches could be adopted for a category of people being targeted. For instance, senior management selection is “exported” from the HQs. Albeit in designing HR practices for senior level employees, worldwide consistency will probably be adopted, whether by exporting the HQs’ approach or by adopting a standard approach for this category of employees. The findings provide some explanation as to why some practices are standard and others are adapted. Regarding integrating best practices, although MNCs ensure that subsidiary’s best practices are integrated with policies formulated at the HQ, nevertheless, this may not be feasible and this is strongly corroborated by the literature (Briscoe, 1995; Kostova, 1999; Adler, 2001). This study could not establish this, even though the EMNCs studied had a standard system. This finding is consistent with the literature which confirms that the subsidiary is occasionally mentally dependent on the HQ (Covey, 1990) desiring direction from the HQ whilst searching for independence.

In summary, based on the degree of standardisation vs localisation (see figure 8.2); the findings reveal an exportive approach by the EMNCs; although to varying degrees. MNCs adopt an adaptive approach if it is necessary to make a policy or practice operational. However, in all the EMNCs, some level of adaptation was implemented in some areas to comply with the host country. Though, the adoption of a global strategy is of greater intensity in the financial sector than in the telecommunication sector; nevertheless, due to intense competition in the telecoms sector, they are adopting more global strategy. EMNCs maintained an exportive approach to policies and practices that are considered to be “strategic” to the company, which include: performance appraisal, employee communication

and consultation, training and development (which was somewhat localised by incorporating some training programmes which were country-specific and ones outlined by the governing institutions) or that are associated with some employees, for instance decisions regarding the R&S and training of senior managers. Recruitment and selection was partially localised and compensation and benefits was fully localised.

Figure 8.2: Extent of Localisation vs. standardisation of HRM practices



Source: Developed for the study

8.3 Transfer Process

The four case studies (T-SA-N, T-UE-N, B-SA-N and B-SP-N) explored individual practices and the process of transfer into subsidiaries using different mechanisms and also examined if differences exist in the type of mechanisms used in the HR practices. The findings revealed that a variety of mechanisms are used and the intensity in which they are used also varied from one case company to another (see table 8.2). This is in line with studies (Edward *et al.*, 1996; Wolf, 1997; Ferner *et al.*, 2004) in this area supporting the perspective that several mechanisms are used by MNCs in different degrees. MNCs use different mechanisms to transfer HR practices to their subsidiaries to ensure that they comply with the HR policies (Harzing, 2004; O'Donnelle, 2000).

Table 8.2: Extent of Localisation Vs. standardisation of HRM practices

		T-SA	T-UE	B-SA	B-SP
Recruitment & Selection	HQ's Template	Yes Online system	Yes Online system	Yes Online system	Yes Online system
	Nigeria Template	Slightly Adapted	Slightly Adapted	Slightly Adapted	Slightly Adapted
Training & Development	HQ's Template	Yes	Yes	Yes	Yes
	Nigeria Template	No	No	No	No
Performance Appraisal	HQ's Template	Yes	Yes	Yes	Yes
	Nigeria Template	No	No	No	No
Compensation & Benefits	HQ's Template	Adapted	Adapted	Adapted	Adapted
	Nigeria Template	Adapted	Adapted	Adapted	Adapted
Employee Communication	HQ's Template	Yes Central portal- 'Fido'	Yes Central portal- 'Fido'	Yes Central portal- 'Fido'	Yes Central portal- 'Fido'
	Nigeria Template	No	No	No	No

Source: Developed for the study

Formalisation-based mechanisms using regulation, written employee manuals and guidelines are utilised to facilitate adherence, thereby influencing the behaviour of the subsidiary. Various tools are used to encourage the compliance of the subsidiary. Most of the case companies used an employee manual, which is referred to as 'the code' by some of the case companies. This tool highlights all the policies within the company and new joiners are required to read this and other employees encouraged to review it from time to time. Also all companies had a standard reporting system and appraisal tool used in assessing employees' performance on a monthly basis. According to a regional financial controller,

"For the bank, the process entails: step 1: having that discussion around objectives, so you set the objectives. Step 2: you start monitoring behaviours on a monthly basis. So we have monthly score cards. Every month employees know the expectations are across all lines, so at the end of the month, the business intelligence unit (BIU) will publish how people are fed against those set monthly objectives and ratings are

given. This is an automated system and it is published based on what the BIU team sees. This has nothing to do with personal differences with the employee. I cannot rate the employee a 5 at the end of the year as I have to go the bank management and defend why the person has a 5. So there is a monthly score card that help to monitor this” (3, B-SP-N)

In all case studies, a formalisation mechanism is used to a large extent in implementing performance appraisal systems in comparison with other HRM policies and practices. This is consistent with Ferner *et al.*'s study which explains the implementation of standard appraisal methods for senior staff (Ferner *et al.*, 2004) and their ability to transfer this practice across borders notwithstanding differences in culture (Lindholm, 1999). However, Kim *et al.* (2003) contended that this is effective when specific procedures are codified and this is adopted in implementing PA practices, as it is not only effective in the transfer of standard methods of appraisal but also could be integrated into a written form due to its explicit nature. The central monitoring of the subsidiaries' performance is facilitated through the use of a Global Human Resource Information System (HRIS) in B-SP-N and a central portal system in T-SA-N, T-UE-N and B-SA-N.

In all four cases, decisions regarding operation budget, recruiting managerial staff, salary increase, union recognition etc. were taken centrally and corporate HR is more involved in the management of HR at the subsidiaries and formalised control through the written policies and guidelines provided by the parent company.

The degree of control varied over the case companies and this was facilitated through different indirect mechanisms which include: regular visits and reviews, training programmes and reporting systems. Modifications could be made in some practices but not without the approval of the HQ. Short-term expatriate assignments varied for all the case companies; T-SA-N had 15 short-term expatriate assignments monthly, which could last from a fortnight to about 24 weeks to work on specific projects within the organisation; T-UE-N had 25 short-term expatriate assignments for 3 weeks to 36 weeks; B-SA-N had at least 30 short-term expatriate assignments monthly, from a week to about 36; and B-SP-N had at least 20 short-term expatriate assignments monthly, which could last from a 14 working days to about 36 weeks to work on specific projects.

The role of expatriates in the transfer process

This is linked to the people-based mechanism used extensively by all case companies. All the cases exhibit a strong preference for appointing expatriates in key positions. Although, it

is observed that in three case companies (T-SA-N, T-UE-N and B-SP-N) that the number of expatriates in executive positions exceeded that of the HCNs, except for B-SA-N where the number of HCNs in executive position exceeded that of expatriates even though not significantly; this indicates that these 3 companies are more centralised than the last one.

This also helps to facilitate the flow of information between the subsidiaries and the HQ, and also amongst other subsidiaries globally, and also provides both centralised and cultural control. In line with the literature; expatriates are considered “boundary spanners” as they help to gather information on the host country and be a spokesperson for the company in the HC (Dowling *et al.*, 2013) and close monitoring of the unit, whilst at the same time, they transfer the PC’s organisational culture (Harzing, 2001; Edstrom and Galbraith, 1997). International assignment provides an opportunity for MNCs to transfer HR practices.

Information-based control was strongly highlighted in all the case companies studied; Information systems are globally integrated. All employees have access to the central portal system where information is passed on. This system help employees to exchange information that is work-related. This is also a platform through which the HQs pass on information to employees in their subsidiaries globally; also, the code of conduct is available on the portal. It is the responsibility of employees to check for any updates daily.

Table 8.3: Type and degree of control

	T-SA	T-UE	B-SA	B-SP
Centralisation Control	High	High	High	High
Formalisation Control	Moderately High	Moderately High	High	High
People-based Control	Moderately High	Moderately High	High	High
Information-based Control	Information system is globally integrated	Information system is globally integrated	Information system is globally integrated	Information system is globally integrated

Source: Developed for the study

8.4 Subsidiary HR Department Role in the Transfer Process

The literature suggests that previously, HR departments in Nigeria played an administrative role (Anakwe, 2002; Eme and Ugwu, 2011) before MNCs started entering the market and as competition increased, especially in the telecommunication sector; the strategic role of the subsidiaries is becoming the main focus of subsidiaries in Nigeria.

The analysis identified some key HR roles and the contribution of the HR function to the success of EMNCs.

The first role identified is HR's **strategic business partner role** (Zhu *et al.*, 2005; Bowen *et al.*, 2002) in the transfer of practice. This manifested in different ways within the case companies studied: beginning with the recognition of the significance of strategic people management, HR is now involved in policy formulation and implementation and this is possible as HR is represented on the board. The size of the subsidiary also influences the strategic role of HR. The four case companies' Nigerian subsidiary is quite large; hence, they have more resources and likelihood to focus more on strategic HRM. Similarly, going by the size of the HR department, they have enough employees to handle the administrative arm (Ulrich, 1997) whilst they focus more on the strategic function (see role of HR in chapters 4, 5, 6 and 7). This is in line with Ulrich and colleagues' model, which emphasised that HR "like any value-adding staff function should operate as a business within a business" (Ulrich *et al.*, 2008: 829). Structuring the HR function as such would help to accomplish internal consistency and consonance with other departments within the firm, thereby increasing the company's performance (Evans *et al.*, 2011). HR's involvement in the decision making at the corporate level in all four case companies is supported by Brandl and Pohler's (2010) research on strategic HR.

The function of HR is more recognised in all the case companies and they possess an even more strategic role so as to achieve more horizontal and vertical integration: this is evidenced firstly, appointment of the heads of this department as key executive members, who are in charge of facilitating the daily activities of the company.

Secondly, **the role of guardian of culture** was highlighted in all the case companies. They all emphasised the need to apply core HR policies in their subsidiaries so as to maintain consistency in their organisational values across their global operations with some adaptations with some practices; mainly compensation and benefits and R&S. So by explaining these policies to the employees through such things as induction, professional development, workshops and continuous communication and making sure that they are

correctly understood and applied, they facilitate the transfer of parent company practices. To ensure consistency, all case companies also send expatriates from the HQ to take up key positions and for temporary projects. It was also found that a standard performance appraisal system was used in all the case companies. They used of standard measurement for performance appraisal and also standard information system, which is a software used to monitor performance. This role is associated with the literature related to “*champion of knowledge management*” and “*effective political influencer*” (Sparrow *et al.*, 2003; Noveric and Harvey, 2001).

Thirdly, **the role of champion of processes** was apparent in the case companies. In these companies, the HR departments have been able to build capability in implementing processes. The case companies extensively use central portal systems to effectively manage their HR, systems known as: a HRIS or central portal. This is helping them achieve efficiency. In B-SA-N, T-UE-N and T-SA-N, these processes are reviewed whilst taking the advice of the HQ to ensure that the right processes are established and integrated. This has encouraged innovation and increased performance. This role demonstrates the reliance of the subsidiary on the HQ. The literature emphasises the importance of technology in facilitating administrative functions to allow HR the opportunity to pay attention to more strategic issues (Kavanagh *et al.*, 2012). The development of standard tools would make HR become more productive and more accountable (Beatty *et al.*, 2012).

Finally, **the role of employee development** In all the case companies, the findings show that HR is involved in employee development; this is reflected in the companies’ annual training cost figures and the percentage of trainings done in-house (see figure 8.1 for details), and this is in line with Cappelli *et al.*’s (2010) findings which show how several EMNCs invest substantially in employee empowerment through training and other means. Employee engagement is crucial to the whole process and this is enhanced through building a strong organisational culture by providing adequate training and opportunities for career advancement; this is achieved by promoting employees internally. This would give them an opportunity to develop for a future opportunity within the organisation, and this would increase the opportunities of grooming more HIPOs: people who will fit into the organisation’s culture.

Overall, the structure of the HR role helps to ensure consistency internally with other departments/ sub-units, which will invariably increase organisation’s performance (Evans *et al.*, 2011). Although there are some factors that influence HR policies in different countries, nevertheless, in line with some studies (Björkman *et al.*, 2008), in emerging MNCs, the

strategic role of HR as a business partner is crucial to ensure that some measure of adaptation is put in place to manage the business within its context, utilising willing employees and transfer the core aspect of the business or HR practices successfully.

8.5 Factors Influencing the Transfer of Practices

Evidence from the case studies indicate that there are a number of factors that influenced the nature of HRM practice implemented in the subsidiaries in terms of their resemblance to the parent company practices, the role of HR and the integration mechanisms utilised. The most significant of these is the top management beliefs concerning what is considered *good and suitable* HR practices. Other factors are: host country effect, industry sector, international structure and strategy, home country effect, international experience and subsidiary role. This confirms the literature: that there are factors which influence the transfer of practices to different degrees (Bae *et al.*, 1997). These factors are explained below.

8.5.1 Host country effect

There are a number of characteristics of the host country environment which influenced the extent to which HRM policies and practices were implemented in the four EMNCs. The role of government institutions and the socio-cultural, legal and economic factors are considered.

i. Socio-cultural elements

There are a number of socio-cultural factors identified that influence the transfer of HR practices in the Nigerian subsidiaries. Some of these cultural factors are behind some localisations made in the subsidiaries and are in line with the literature. A number of studies pointed out HR practices are more susceptible to the influence of culture (Schneider, 1998; Laurent, 1986). Various studies (e.g. Tayeb, 2005; Gooderham *et al.*, 1999; Schuler and Rogovsky, 1998; Easterby-Smith *et al.*, 1995; Hofstede, 1993) have been carried out on the impact of culture on HR policies and practices. However, in this study, the influence of culture is more visible in some of the practices, namely: recruitment and selection; compensation and benefit, more than other practices more than other practices (training and development; employee communication; performance appraisal). This is in line with the findings of literature which states that the extent of the cultural influence varies for different practices; thereby affecting the extent of transfer (Lu and Bjorkman, 1997; Rosenzweig and Nohria, 1994). This is because some practices are linked more to culture than others (Myloni, 2002; Easterby-Smith *et al.*, 1995).

This study corroborates that there are some elements of culture that still influence the extent of transfer of HR practices.

The key cultural elements are identified here.

Corruption and favouritism widely spread in Nigerian society.

There are a number of challenges facing Nigeria today and these were expressed in the comments of the managers interviewed. One of the prominent ones is the issue of bribery and corruption. There have been a number of corruption cases in Nigeria which are influenced by a number of factors such as: lack of a credible government, compensation considerations, acceptance of corruption by society etc. This is widely spread and has evolved to other methods (gifts, donations and facilitation payments) that are socially acceptable (Ribadu, 2007). This practice is also rooted in the system and this has become worrisome for MNCs operating in Nigeria as sometimes businesses suffer as a result of non-compliance. For example, the HR director of T-SA commented on one of the things they do to avoid rejection from local institutions and to get prompt approval from government authorities:

“I know for sure that for the company to get approvals they have to follow due process and procedures. In Nigeria is also who you know and your position in the society that helps to also fast track the process and to fast track the process, sometimes you have to “settle some Ogas [“senior or boss”] although this is strictly against our code” (2, T-SA-N)

This is also a source of concern for managers and one of the regional managers in B-SP-N and the HR manager of T-UE pointed out that their company has strict policies about the acceptance of gifts and money from or to any customer and how business is done:

“Here we have challenges in business as we are competing against the dominant culture within here. For example, people are quite impatient in Nigeria. They do not want to follow due process.... people can cut corners to get this done. This can jeopardise the whole process of the business” (1, B-SP-N)

“We also have policies on the declaration of gift items. Any staff that gets like a gift from supposed client of the company needs to declare it if it is more than \$50”. (4, T-UE-N)

The regional financial controller of B-SP also expressed the duality between their corporate culture and the host country culture and the differing values:

“The organisational culture is of great value to the company and wouldn’t want a dent in the reputation of the company or being classed as irresponsible owing to the employees’ behaviour so we make sure that we pay them well above the stipulated minimum wage to keep them contented. Also, the company manuals serve as a tool to curtail this by detailing the HQ’s requirements” (3, B-SP-N)

Thus, this is an endemic issue in Nigeria and this influences the compensation and benefit practice, to make sure that employees are paid well above the minimum wage with added benefits and that the brand image of the organisations are protected. For gifts declared by the employees, points are awarded and redeemed at the end of the year.

ii. Institutional factors

Studies carried out by institutionalists highlight the influence of this factor on the transfer of practices in a particular way resulting in the process and structure following a particular national pattern (Whitely, 1992). The extent of the transfer of policies from the home country is determined by the national business system of the host country (Ferner, 1994). Transfer of practices is feasible in a host-country with limited or weak formal structures. On the contrary, in a host country with a strong institutional environment and an established business system, transfer of practices may be difficult; hence, MNCs will have to localise their practices (Gooderham *et al.*, 1999).

Legal and economic environment

The legal environment of the host country puts pressure of the MNC’s subsidiary (Schuler *et al.*, 1993; Taylor *et al.*, 1996) and this could hinder the transfer of HR practices from the HQ to the subsidiary (Beechler and Yang, 1994). One of the major pressures encountered by MNCs is pressure from local institutions such as: trade unions (Rosenzweig and Nohria, 1994). Also, this institution has a great impact on the pay systems (Wachter *et al.*, 2003). As for Nigeria, though the activities of trade unions are prevalent, the activities of the unions have been weakened over the years and this is worrisome (Komolafe, 2013; Akinwale, 2011). Employees would prefer to put up with bad working conditions rather than to lose their jobs (Oyedele (2013). This then proves that if employees are unaffected by the activities of the union then MNCs are least likely to be affected by their activities.

Both sectors of the case companies are strongly regulated by two recognised institutions in Nigeria: the financial sector is regulated by the Central Bank of Nigeria (CBN) and the telecommunication sector is regulated by the Nigeria Communication Commission (NCC). For instance, according to BBC (2015), the first case company T-SA Co was fined a huge

sum of \$5.2bn for non-compliance with the NCC deadline set for non-registered sim cards and this move followed a petition by customers that NCC had not made T-SA Co accountable for poor services provided; nevertheless, this was petitioned in the Federal High Court Lagos and an amicable settlement of \$250 million was agreed but this has affected the company's securities as shareholders are advised to exercise caution pending further announcements of the resolution of the matter. (Company website, 2016) These two bodies have strict policies and must be adhered to by companies working in these sectors or face penalties such as fines, temporary and suspension of operations. They specify grade structures and quality control:

"The CBN (Central Bank of Nigeria) is a major institution that shapes some practices in B-SA. One of the biggest changes that were made was regarding the grade structure for managerial and non-managerial positions. The CBN had to approve a grade structure for B-SA before it was adapted to suit their organisation. This is to ensure that there is consistency across all foreign banks" (6, B-SA-N)

Meanwhile, previous research has argued that institutional duality is a condition faced by MNCs' subsidiaries (Brewster *et al.*, 2008; Kostova and Roth, 2002; Westney, 1993) and this suggests that they are confronted with institutional pressure from both the host-country environment and the country of origin. This is the case of one of the case companies (B-SP-N) where the regional managers stated that:

"Don't forget that we are regulated by two institutions. The local market and the local banks here are regulated by only one regulator – the CBN – but our bank is regulated by both the CBN and MAS (Monetary Authority of Singapore). And the normal process for us is if you have a regulation from the CBN and have a regulation from the MAS, the most stringent is the one you should comply with. So if the CBN brings out regulation and the MAS has a regulation around that same issue... if the one of MAS is the most stringent, I will apply the one of MAS but if the one here is most stringent I will apply the one here. For instance, MAS has specified that we don't give gifts to clients valued at more than \$200. So in whatsoever we do, even if a commissioner's mother dies today.... I may not be able to buy a cow that cost £1,000; it has to be a gift that falls within £200. The CBN has no problem with this but MAS does. Also, the local environment, sometimes they see you as a foreign bank and the implication of this is that the things that other banks can get away with but we cannot. Even in terms of CBN rules, there are things other local banks can do and get away with but we do not have such privileges". (1, B-SP-N)

The labour law can also put MNCs under a lot of pressure in their transfer of HR practices. In Nigeria, this law is rather weak in some areas. According to Ovadje and Ankomah (2001), the Labour Act of 1971 integrated some principles of the International Labour Organization (ILO) regarding the minimum wage; however, the Act did not provide any cover for “*people in executive, admin, technical and professional positions*” (Ovadje and Ankomah, 2001: 179). The EMNCs seemed to comply with the labour law totally: employees were not supposed to participate in any union activities as it was a PC policy. The findings in chapters 4, 5, 6 and 7 indicated that the EMNCs had respect for the labour laws and exceeded the stipulated minimum wage of N19,800 (Oxford Business Group, 2016). The findings of this study are in line with the literature, which highlighted that compensation options of an organisation are influenced by the legislation with respect to minimum wage (Dowling *et al.*, 2008). The literature also emphasised that the challenges associated with the design of a compensation plan by MNCs to bring about a balance cannot be resolved without taking into consideration the local context (Richey and Wally, 1998). The findings of this study have highlighted this in chapters 4 and 5. Even though the salaries of the EMNCs have been localised, they would need to follow the compensation and benefit guidelines established by the HQs. Invariably, the EMNC is localising this practice but at the same time upholding some degree of uniformity across subsidiaries using the written guidelines that detail the standards. The purpose of these written guidelines is not to standardise the practice but to coordinate and integrate it with the organisational culture and the EMNC’s strategy.

Moreover, benefits are considered more important than salaries, considering that salaries are meagre (Ovadje and Ankomah, 2001). This finding is also in line with the literature, as Sparrow (2004) explains that organisations could offer certain benefits or gains although they might be expensive. Salaries and benefits above the local benchmark are given by all the case companies (e.g. B-SA-N: “*we cannot fall short of the labour law standards as well but rather the company exceeds the standards set*”) and this could be elucidated as the subsidiary’s will to maintain a particular employer position in the host country (Hannon *et al.*, 1995; Rosenweig and Nohria, 1994).

The Educational System and National Business System

An element of the institutional environment which would impact on the transfer of practices is the educational system (Sparrow, 1995). Educational quality and business education influences HR practices (Briscoe and Schuller, 2004). In Nigeria, strong western influences permeate the educational system (Taiwo, 1980); this was founded by the missionaries (Ajayi, 1965; Fafunwa, 1974; Ayandele, 1966; Taiwo, 1981; Adesina, 1980) and it has been

instrumental to the spread of western ideologies that have helped to improve the educational system but recently, there is a sad trend in the Nigerian educational system owing to a number of factors, such as: the lack of capacity of indigenous universities and the quality of the educational system. In 2014 there were only 500,000 spaces available to 1.5 million students (WENR, 2013) and this has led to the rising number of Nigerians leaving the country to study. The UNESCO Institute of Statistics in 2010 recorded that a little under 39,000 students left the country to study (UIS, 2014) and top on the list of those countries are the United Kingdom and the USA. The findings also corroborate with the statistical findings as most of the employees interviewed and those working with these companies have been to one or more of these universities. This also strongly accounts for the approach of top management in the transfer of practices. Hence, this seems to have influenced what they considered best practices that are globally acceptable and which were in line with Anglo-Saxon practices: and this is also associated with the upper echelon theory (Hambrick and Mason, 1984; Hambrick, 2007) that suggests that the experiences, values and personalities of executives are enormously shaped by their understanding of a given situation, which invariably affects their choices. In this study, it affects the HRM philosophy and approach to HRM, as well as the transfer process.

8.5.2 Industry sector, international structure and strategy

These factors influence HRM management orientation, and how MNCs' activities are coordinated in each subsidiary and globally. Our case companies are not alienated from these influences.

In the case of the telecommunication and financial industry, a global strategy is embraced with a competitive strategy mainly based on differentiation. However, the adoption of a global strategy is of greater intensity in the financial sector than in the telecommunication sector; nevertheless, due to intense competition in the telecoms sector, they are adopting a more global strategy. This is illustrated by the quotes of the HR analyst and operations manager of T-SA-N and T-UE-N, respectively:

“When I joined this company at the HQ, they were adopting more of a multi-domestic approach.... they were more polycentric and were more decentralised.... but as they started to go international.... the competing nature of the industry and the structure of the market has influenced their approach towards a more global approach” (1, T-SA-N)

“We cannot be swallowed up.... the industry is on a fast lane and we have to catch up with the tide or we sink.... we must align our strategy with the rest... we have to follow the global standards.... every move or decision is important.... every change has its consequence and we want to be on the good side of that consequence” (3, T-UE-N)

On the other hand, B-SP and B-SA have been accepting a more global perspective and a competitive strategy based on differentiation. This has led to a more centralised approach in coordinating their operations globally through the application of common HR practices and processes. The organisation is structured including their systems, processes and how their human resources are managed globally, accounting for more internal consistency. Nevertheless, considering the dynamic nature of the market, quick decision making is required; this places more responsibility on the subsidiary to respond to these changes more effectively. Likewise, they were moderately flexible in their approach owing to some differences in institutional factors. In addition, the parent company seemed to use more socialisation and networks to accomplish a more unified culture, which is important for their integration strategy.

It is also observed that the companies had some degree of variation with respect to centralisation: this is due to the different industries they operate in. Simultaneously, they all seemed to be challenging the notion of “think global – act local” to various degrees. They acknowledged the need to be locally responsive, nonetheless, and are faced with the challenge of maintaining internal consistency to attain and sustain performance standards globally.

For example, in as much as T-SA-N was faced with the pressure to localise, they had to maintain the required performance standard as stipulated by the HQ to maintain their competitive advantage. For example, the HR regional director noted that:

“In as much we have to customise some practices to Nigeria we cannot deviate from what the parent company allows as this could have grave consequences. We are quoted on the stock exchange and we owe a responsibility to our shareholders. We need to strike a balance. We need to implement our global standards in the local context in the best way possible to maintain our performance and to attract more HIPOs into our organisation”. (2, T-SA-N)

Similarly, the financial sector needs to maintain a standard level of performance globally as this has an impact on their reputation, brand image, their financial standards and the quality

of employees they attract- they attract more HIPOs; also to ensure consistency with the other subsidiaries globally. For instance, the regional manager of B-SP-N noted that:

“We cannot compromise our standards even with the need to localise.... there are certain areas that consistency must be maintained across borders especially our accounting standard. We have some standards for our financial accounting and irrespective of the country, this cannot be compromised.... it is a global standard and a lot of banks do the same.... it is not our fault.... this is the nature of our industry.... if this is compromised, it could affect the quality of workforce that we attract.... this is very important to us as we are known to attract more HIPOs” (1, B-SP-N)

The approaches adopted by the companies are as a result of the sector they operate in; the market is quite volatile and requires faster decision-making. The financial sector operates (B-SA-N and B-SP-N) more of a global approach in comparison to the telecoms sector (T-SA-N and T-UE-N) even though they are faced with more stringent laws. However, the telecoms sector is adopting more global approaches as the businesses provide more standard products and services such as: mobile data services; voice services comprising international roaming and airtime top-ups, traditional voice services, teleconferencing, and pre/post-paid airtime; ICT services including satellite connectivity, cloud computing, video conferencing and satellite connectivity. However, they need to keep a higher degree of flexibility due to the changing nature of the market.

8.5.3 Top management beliefs and home country effect

From the four case studies, it is obvious that the top management had a set of beliefs with respect to the HRM practices that was necessary to realise business objectives and is feasible to transfer across borders.

In all the cases explored, they all had HR policies that are universally transferred. These practices were *“core policies that had strategic importance for the business”*. Strikingly, the companies all appeared to have some connections with the Anglo-Saxon model which has certain characteristics such as: individual performance-related pay and appraisals based on goal-setting and direct communication. South African MNCs are exportive in their approach, which is supported by Kamoche and Newenham-Kahindi's (2012) study on the approaches adopted by two global banks from the USA and South Africa, respectively; their findings revealed that the development of their HR practices is drawn from ethnocentric values. Furthermore, Wilkinson *et al.* (2012), the conclusion drawn from the special issue suggests that emerging MNCs have the tendency to emulate western MNCs practices.

Interviews conducted with a regional manager revealed that they held a set of beliefs regarding important HR practices which are necessary to accomplish business goals and which are appropriate to be transferred and implemented across subsidiaries. For example, the regional manager of B-SP and the HR director (regional) noted that:

“... whatever obtains here in Nigeria is the same standard across the world, everything is standardised. There are adaptations, but there are normally broad policies. You can now have what is called country addendum which most of the time in almost everything, those country addendum global may differ from the group policies just 10%. But overall, there are standard policies that are used globally”. (1, B-SP-N)

“The same policies are used in South Africa, the only difference might be that there are certain policies that the government might not welcome there, but here the government might welcome it because it is part of our system, so these are some little changes that we might have but approval must be sought from the HQ. Every policy is always from the South Africa CEO and headquarters”. (2, T-SA-N)

There are a number of reasons that explain the standardisation. The similarities in terms of the nature HR practices are as a result of a number of factors such as: the education and the management experience of managers at the parent company and also at the subsidiaries; they have studied at western universities and have worked with western MNCs. This has facilitated the transfer of parent company practices (see chapters 4, 5, 6 and 7 for details).

8.5.4 International experience

All the companies are well-established companies, with varying periods of experience. The longest established of all of them is B-SA; the company has been operating for over 150 years. The companies' established presence on the international scene can be seen on their ranking in the *Financial Times* top emerging 500 companies globally. All the companies were ranked based on market values: T-SA ranked 30th, T-UE ranked 88th, B-SA ranked 70th and B-SP ranked 153rd.

T-SA is constantly seeking value seeking opportunities in emerging markets and in order to keep up with the pace of growth, they need to ensure that they maintain appropriate capacity and service quality. T-SA has established more control and coordination by putting in place more budget controls, keeping operating costs at the minimum and investing more in technology, as this would ensure their positioning to benefit from the fast-converging

technology providing effective management structure and comprehensible international HR strategies and policies.

8.5.5 Subsidiary role

There were some characteristics of the subsidiaries that exerted influence. The strategic role of the subsidiary is explored in detail and also size and mode of establishment.

Each subsidiary started from different levels in terms of their technology and technical knowledge. Also, the strategic importance of the subsidiary is considered for the long-term in each case. Consequently, the strategies of the subsidiaries are established in line with HQs' overall global strategy. For instance, B-SP-N's regional financial controller noted that:

"This subsidiary is of great importance as it is as it has given us access into Africa but most especially West Africa. This move presented us with a lot of opportunities to expand into different countries within this region.... currently we are in about 15 countries in Africa and this was facilitated by our strategic move to Nigeria. Currently, we have local people from Nigeria that are working in some of these countries as some of them have been with us for more than a decade and they understand our processes" (3, B-SP-N)

Also, T-SA's operations manager stated how important the Nigerian subsidiary is to them not just in Africa but globally. He noted that:

"Nigeria is really important to us as it is one of our main subsidiaries excelling on every front even financially. It is important that the business strategies align with the overall corporate strategies of the organisation as structured by the HQ" (7, T-SA-N)

The subsidiary's strategic importance was further emphasised by the financial analyst who noted that:

"This subsidiary has made a mark in Nigeria even with respect to our services (ICT services and mobile data) and also the market share where we occupy the first position. Profit is of great importance to them and Nigeria is T-SA's biggest market amongst other subsidiaries and most of the profit for the company comes from Nigeria" (4, T-SA-N)

The strategic importance of the subsidiaries accounts for the parent company's longing for a greater measure of control at the same time as balancing the pressure to be locally responsive to the host environment. For instance, T-SA was hit by a penalty non-compliance

with NCC's specification for training courses for the companies operating within this sector (www.ncc.gov.ng, 2015); because the company did not want any contention, they paid off this fine after a series of negotiations with the government and NCC.

Correspondingly, B-SA strengthens their relationship with the government and society by investing meaningfully in education. They are achieving this by partnering with different state governments to ensure that it is effectively implemented. They are also involved in many activities that would help to enhance and add value to society, and this reflects their good image and reputation.

Subsidiary size and mode of establishment

Two of the case companies started off their subsidiaries as a wholly- owned subsidiary (T-SA and B-SP) and two as an acquisition (T-UE and B-SP). Due to the share percentage as indicated in Table 8.4, the parent companies still have control of the subsidiaries. The parent companies also started their operations in the Nigerian subsidiaries with their own policies, culture and structure. As a result of this, most of their HR practices were transferred to the Nigerian subsidiary, except for one practice that was fully localised (compensation and benefit).

Table 8.4: Subsidiary size and mode of establishment

Case companies	Nationality	Sector	Subsidiary Age	Mode of establishment and ownership
T-SA Co	South African	Telecom	15 years	Wholly- owned subsidiary 75.81% share –T-SA co 18.7% share- shareholders in Nigeria 2.7% and 2.7% share- by two independent businesses respectively
T-UE Co	Emirati	Telecom	7 years	Acquisition 40% share- T-UE Co 30% share- UAE government- owned company 20% share -independent Nigerian investors
B-SA Co	South African	Financial Services	50 years	Acquisition 66.7% controlling share- B-SA 33.3% share- another Nigerian indigenous bank
B-SP Co	Singaporean	Financial Services	16 years	Wholly-owned subsidiary 100% B-SP Co

Source: Developed for the study

Subsidiary's conformity or resistance to transfer

One important issue which relates to the cultural and institutional environment is the degree of acceptance of the HR practices being transferred and what sort of resistance/ conformity was indicated by the subsidiary. The managers that were interviewed in the subsidiaries confirmed that there was no resistance for the practices transferred from the HQs. Furthermore, some of the managers interviewed expressed their positive views concerning some of the electronic instruments transferred. For example:

: *“This is the fastest way to communicate to employees and it has proved effective over time. We have a team of dedicated IT staff and they see to it that the system works and this is done in collaboration with the HQs”* (7, B-SP-N)

: *“This has been a very effective method of communication”*. (10, T-SA-N)

Again, based on managerial perspectives, they expressed that it was easy to transfer HR practices. One of the managers said that:

“It provided us with an opportunity to learn and improve the performance of the company and their competitiveness” (4, B-SA-N)

Nevertheless, the literature explains that the wider the cultural distance between the host and home country, the higher the chances of resistance to practices transferred. Consequently, successfully transferring practice is linked negatively to the cultural distance between the home and the host countries (Hofstede, 1993; Adler, 2001). For the case of Nigeria, the cultural distance between Nigeria and the home countries (South Africa, the UAE and Singapore) is not so large; hence, the success in the transfer of practices. Even though the literature explains the diversity of Nigeria with over 200 ethnic groups and three main religious groups (Adigun, 1995), recent evidence still suggests that “western practices” are adopted by very many companies in developing countries (Bae et al., 2001; Ovadje and Ankomah, 2001; Rowley and Bae, 2002; Sett, 2004; Cooke, 2005) and the culture of high performance is emerging in the African continent (Kamoche, 2000; Horwitz et al., 2004, Mpabanga, 2004). This is strongly influenced by growth and increased globalisation (Horwitz, 2008); for example, in Nigeria younger people in their 30s and 40s are beginning to assume leadership positions as opposed to previous, established seniority leadership systems (Mgbe, 2005). This is also spreading to other EMNCs where substantial cultural changes have taken place; for example, China and Taiwan where significant changes have occurred with respect to work value based on Confucian values most especially in the younger generation (Bae et al., 2001; Cooke, 2005). Nigeria was colonised by the British and their institutions are heavily influenced by western values (Okpara and Wynn, 2008; Saka, 2001; Fajana et al., 2011) and business systems have facilitated the process of transfer of HR practices, yet localised in some areas as explained earlier.

Overall, the levels of conformity or resistance differed from one subsidiary to another depending on the practice. In line with the literature in chapter 2, it would be difficult to categorise each subsidiary under a particular type.

8.6 Conclusion

In this chapter, all four cases were compared and contrasted to accentuate the distinction and the similarities in the nature of their HQ’s HRM policies and practices transferred to the Nigerian subsidiaries, the role of HR in facilitating the transfer and the factors in influencing the transfer of these practices.

The findings from these case companies display more similarities than differences. Regarding the similarities, the EMNCs were found to be increasing the emphasis on training and development, which was used to extensively develop employees, implementing standard appraisal systems, which is more target-oriented, standard communication and establishing a link between pay and benefits, promotion. All these were highlighted in their policies and they influenced the extent of transfer of policies and practices. Additionally, expatriates are appointed to key positions and are used to help transfer these practices; however, the written guidelines should be consulted by the subsidiaries before implementing any significant changes.

The EMNCs used different mechanisms to varying degrees; however, the intensity varied from one subsidiary to the other. There were slight differences observed: B-SA-N and B-SP-N used more people-based control than T-SA-N and T-UE-N considering the number of expatriates in the Nigerian subsidiary. Overall, they were adopting a more centralised approach in their transfer process.

The similarities and differences are influenced by a number of factors. Firstly, with respect to HRM policies and practices, all case companies had similar top management beliefs which supported more diffusion of HR practices across borders so as to achieve corporate strategies and these beliefs appeared to be strongly influenced by Anglo-Saxon views of what establishes a good HR practice. However, the transfer process is influenced by institutional factors that would lead them to adapt some practices to avoid conflict of opinions.

Both sectors have faced some isomorphic pressures. These pressures are both from the HQs and the host country. The HQs on one hand adopt standardised “core” HR policies; however, there are some pressures from the host country. For example in the telecommunication sector, the employee manual, although it has some standard elements, is designed whilst integrating the institutional elements such as some policies outlined by the NCC so as to ensure that the subsidiary is operating within the specified guidelines. Also, there are adjustments of some policies, such as compensation and benefit, complying with the local labour law; hence the company is experiencing some localising pressure to do with this policy as they are responding more to the benchmark of other competitors within the market. These pressures were also due to the competitiveness of this sector; the company is forced to adjust this policy so as to improve their competitive position in the market.

The financial sector is not immune from these pressures. However, the HQ influences the degree of training at the subsidiary level to a large extent. The training track is a system

developed by the HQ to help identify training needs quickly. This system allows employees to input their past skills, qualification and competencies. The CBN has also stipulated some programmes that are compulsory for some staff members to help them keep abreast of their regulations, and they are monitored by CBN.

The industry sector also influences the HR strategies of the EMNCs as this greatly impacts on the competitive position of the firm. All case companies have faced intense competition not just on a global scale but within the host country from other competitors and it is important for them to integrate their approaches to production or quality service delivery. Hence, the companies are constantly taking steps to ensure that internal consistency is increased.

The strategic role of the subsidiary is another factor that influences how subsidiaries are managed, their importance to the HQ and the degree of their reliance on the HQ. Therefore, each case company had different levels of technology and technical knowledge. This is reflected in the high flow of information and resources to them from the HQ to ensure the required standards are reached and maintained. Meanwhile, the strategic importance of the subsidiaries accounts for the parent company's longing for a greater measure of control at the same time as balancing the pressure to be locally responsive to the host environment.

The characteristics of the host environment also contributed to the HRM practices that were adopted by the four EMNCs. This included some socio-cultural elements like corruption and favouritism, which are widespread and have evolved to other methods such as gifts, donations and facilitation payments that are socially acceptable. The two sectors also face pressure from two recognised institutions in Nigeria – the financial sector is regulated by the Central Bank of Nigeria (CBN) and the telecommunication sector is regulated by the Nigeria Communication Commission (NCC). This has posed some constraints for all the subsidiaries.

CHAPTER NINE: CONCLUSION

9.1 Introduction

The overall aim and related objectives are reviewed in this chapter. The main findings emerging from the literature and research chapters are highlighted. Subsequently, the emphasis is on how the findings relate to existing knowledge in the area of HR strategies and policies of emerging MNCs. Lastly, the limitations of the study are discussed, taking into consideration the avenues for further research.

9.2 Aim and Objectives

The main aim of this study is to understand and analyse the transferability of Human Resource (HR) practices of multinational companies (MNCs) from non-western origin/ emerging economies within their operations across borders, informed by managerial views of subsidiaries located in Nigeria. At the beginning of this study four main objectives were identified:

- To understand the nature of HRM policies and practices applied in the subsidiaries in Nigeria.
- To analyse the process of transferring HRM policies into the subsidiaries.
- To evaluate the factors that may have influenced the transfer of HRM in the MNCs' subsidiaries.
- To examine the role of the HR department in the transfer of HR policies and practices.

In view of that, the objectives of this thesis have been achieved. The findings regarding the nature of HRM policies and practices in the Nigerian subsidiaries, the process of transfer, the influencing factors and the role of the HR department were presented using the within-case analysis in chapters 4, 5, 6, 7 and the cross-case analysis in chapter 8.

9.3 Summary of Key Findings from Fieldwork Undertaken

The fieldwork undertaken, and as shown in chapter 8, demonstrated similarities with regard to the nature of HRM practices, but some differences in the area of C&B and R&S (except

for managerial positions) to some varying degree in the subsidiary. B-SP-N standardised their practices except for C&B.

More specifically, the findings showed there were significant similarities in terms of the nature of HR practices. These practices include: training and development, performance appraisal and employee communication; these practices were considered core practices. Accordingly, there is evidence from the literature stating that there is more emphasis on research focusing more on sets of practices viewed as a system (Boxall and Macky, 2009; Bowell, 2002), also referred to as a “high-performance work system (HWPS)” (Huselid, 1995), which includes practices such as: “performance-based compensation, competence-based performance, internal communication, training etc”. These practices are essential for the success of the organization (Fey *et al.*, 2003; Huselid, 1995).

These similarities were the result of a number of factors such as the education and the management experience of managers at the parent company and also at the subsidiaries; notably that many have studied at western universities and have worked with western MNCs. Hence, they are more likely to adopt more Anglo-Saxon practices that highlight best practices that are globally acceptable.

Furthermore, the HQs are really involved in the decisions regarding the transfer of HR practices. An exportive approach is adopted on the strategic level by the EMNCs even though varying levels of adaptation were implemented to comply with the host country, though this has to be within the guidelines of the HQs. This study also found that South African MNCs were exportive in their approach, which confirms with Kamoche and Newenham-Kahindi's (2012) study on the approaches adopted by two global banks from the USA and South Africa; their findings revealed that the development of their HR practices is drawn from ethnocentric values. This is also associated with the upper echelon theory (Hambrick and Mason, 1984; Hambrick, 2007) that suggests that the experiences, education values and personalities of executives are enormously shaped by their understanding of a given situation, which invariably affects their choices. In this study, it affects the HRM philosophy and approach to the management of Human Resources, as well as the transfer process.

In addition, the findings revealed that a variety of mechanisms were used and the intensity with which they are used also varied from one case company to another. Overall, there is a strong desire for a greater use of centralised and standardised practices in the Nigerian subsidiary, except for compensation and benefits and to some extent recruitment and

selection. There is little evidence to support the strong impact of the home country on the transfer of HR practices as the practices reflect more Anglo-Saxon best practices. In all the four case companies, decisions stem centrally from the HQs and subsidiaries are expected to implement these practices without making any significant modifications; this is extensively supported by the substantial presence of expatriates in key positions, regular visits from the HQs, standard PA systems and standard training programmes, and serves both as a centralising process and reflects a high level of people-based or cultural control. In all case companies, a standard PA system is instituted to ensure that MNCs are able to evaluate and improve the performance of the company and their subsidiaries against specific objectives that are linked to the global strategy of the MNC. This is in line with studies that highlight MNCs' yearning to standardise and tendencies in the direction of global integration (Mellahi *et al.*, 2015; Farndale *et al.*, 2010). This finding fits well with the literature and extends it in terms of the role played by MNCs in transferring "best practices" globally (Brewster *et al.*, 2008). Those practices considered to be global best practices are seen as a basis to standardise HR practices irrespective of their country of origin (Mellahi *et al.*, 2015; Chung *et al.*, 2014; Pudelko and Harzing, 2007).

With regards to the factors that influence MNCs' strategies towards the transfer of HR practices, a number of influences were found. These include: host country effect, industry sector characteristics, the international structure and strategy of the companies (Bartlett and Ghoshal, 1989), international experience, top management beliefs (Brandl and Pohler, 2010, Chung *et al.*, 2012) and subsidiary characteristics (Taylor *et al.*, 1996; Schuler *et al.*, 1993; Farndale *et al.*, 2010). It is also noted that very little is known about the influence of the different structural and environmental factors, such as the home country and host country environments on the HRM strategies and practices at subsidiary level of MNCs from emerging economies (Thite *et al.*, 2012; Chang *et al.*, 2009).

The findings on the role of the subsidiary HR in the process of transfer revealed four roles: strategic business partner role (Zhu *et al.*, 2005; Bowen *et al.*, 2002); the role of guardian of culture (Novicevic and Harvey, 2001; Sparrow *et al.*, 2003); the role of champion of processes and the role of employee development. Findings revealed that the MNCs are becoming more strategic and this was manifested in different ways within the case companies studied: beginning with the recognition of the significance of strategic people management, the involvement of HR in policy formulation and implementation and this is possible as HR is represented on the board. All the findings on the role of HR are consistent with previous studies and the most recent study by Thite *et al.* (2014), even though this

study explored the role of corporate HR; this study has found that these role in the subsidiary HR as well.

Table 9.1: Summary of findings

O1: Nature of HRM practices and the degree of resemblance with parent company practices.	Overall, the HQs are really involved in the decisions regarding the transfer of HR practices. An exportive approach is adopted on the strategic level by the EMNCs even though varying levels of adaptation were implemented to comply with the host country but this has to be within the guidelines of the HQs.
O2: influencing factors in the transfer of HRM in the MNCs' subsidiaries.	Host country effect (socio-cultural elements) and institutional factors (legal and economic environment) Top management beliefs Industry sector, international structure and strategy International experience Subsidiary role
O3: The nature of the transfer process and specific mechanism utilised?	Overall, the findings revealed that a variety of mechanisms were used and the intensity with which they are used also varied from one case company to another. Formalisation-based mechanism using regulation, written employee manuals and guidelines are utilised to facilitate adherence thereby influencing the behaviour of the subsidiary. Evidence shows that there is a greater use of centralised control; the HQs are really involved in the decisions regarding the transfer of HR practices. People-based integration mechanism was used extensively by all case companies. All the cases show a substantial presence of expatriates in key positions which serves as both a centralising process and reflects a high level of people-based or cultural control.
O4: The role of subsidiary HR department in the transfer of HR policies and practices	Overall, the findings confirm that HR roles are both strategic and operational. Four main roles were identified from the findings: Strategic business partner role (Zhu <i>et al.</i> , 2005; Bowen <i>et al.</i> , 2002); The role of guardian of culture; The role of champion of processes; The role of employee development

Source: Developed for the study

9.4 Research Contributions

The contribution of this study to knowledge is demonstrated below under the following two sub-headings: contribution to theory; and contribution to practice.

9.4.1 Contribution to Theory

This study has contributed to the on-going debate centred on principles and practices of IHRM. Most of the current empirical studies are focused on a narrow context which mainly represents developed western economies. This study examined the debate from an emerging economy perspective and contributes to the discussion from this light. The debate, globalisation, convergence, divergence and cross-vergence of HRM principles and practices remain a divisive matter today. The Convergence school argued that the liberalisation of market and the achievement industrialization are likely to lead to embracing common values especially work-related practices. The Divergence school on the other hand, oppose this and suggest that culture will be the main driving force that shapes the values, beliefs, and attitudes of practitioners.

Empirical evidence from the study revealed that the convergence school hold sway within the context of this research. The study confirms the theory that an IHRM approach that aligns with the parent company's HR strategy for managing the dilemma between standardisation and adaptation are often the practice. This study allowed the opportunity to gain insight into the degree of standardisation vs. adaptation, Convergence of HRM practices. Thus, this creates an extension of knowledge in this field, producing empirical evidence to explain the globalisation, convergence and divergence discussion within an emerging economy.

This study is important as there have been limited empirical studies undertaken within the Nigerian context, which explicate HRM principles and practices within MNC in Nigeria. The findings suggest that most MNC surveyed in this study employed home country or western country practices, which are considered to be a more "global practice". It is however important to point out that the case companies are more Anglo-Saxon which is consistent with recent evidence that still suggests that "western practices" are adopted by very many companies in developing countries (Bae *et al.*, 2001; Ovadje and Ankomah, 2001; Rowley and Bae, 2002; Sett, 2004; Cooke, 2005). The study also concluded that this may be responsible for the culture of high performance work place, which is emerging in the African continent (Kamoche, 2000; Horwitz *et al.*, 2004, Mpabanga, 2004).

Although there have been studies that indicate that management principles and practices in Nigeria's MNC are based on western principles and practices, this study revealed further that the main reasons for this attitude toward convergence did not lay simply of 'Globalisation', instead, it could be located in the type of training and education received by the practitioners. Most of the indigenous HR practitioner in MNC in Nigeria has qualification and training from western country. Hence, this study did not only reinforce earlier studies - Okpara and Wynn (2008); Wilkinson et al. (2012), it advanced the already existing knowledge in this area. While Okpara and Wynn (2008) highlighted that management practices in Nigeria are similar to western practices due to the impact of globalisation and theories of western management and practices, and Wilkinson *et al.* (2012) opined that emerging MNCs have the tendency to emulate western MNCs practices, this study provides the bedrock for understanding the reason behind Convergence outlook of HR principles and practices in Nigeria.

There are few empirical studies that have been undertaken to demonstrate the position of Nigeria in this debate and they mostly focus on explaining the meaning associated with the terms and MNCs from developed economies. This study however, shows that there is convergence among EMNCs themselves and among western MNCs. That convergence is associated with the adoption of Anglo-Saxon practices that are regarded to be a 'globally' accepted standard practices. The study also contributes to the Upper Echelon Theory in that it confirms that the education and experience of top and senior managers affect the nature of HR practices adopted.

This study contributes to research in the field of HRM in EMNCs by exploring the degree to which individual practices are transferred into subsidiaries using different mechanisms and examining the differences that exists in the type of mechanisms used in the transfer of HR principles and practices.

This confirms the literature that emerging MNCs entering a developing market tend to adopt an ethnocentric approach as they make effort to transfer HR practices of the HQs to their subsidiaries, especially for core practices in order to maintain internal consistency (Pudelko and Harzing, 2007).

9.4.2 Contribution to Practice

This research has contributed to practice in a number of areas regarding the transfer of HR practices. This study could serve as a tool and a guide to HRM policy makers such as lawmakers, government and the Chartered Institute of Personnel Management Nigeria

(CIPMN) in formulating HR policies, which could impact on the implementation of HR practices in Nigeria.

The study also show that the education and experience of top and senior managers influences their decisions, since most of them studied in western countries and gained work experience in these countries. This would impact on the HR practices that are applied in Nigeria.

The study highlighted the need for MNCs operating in Nigeria to engage with relevant institutions within Nigeria to ensure effective implementation and management of HR. Additionally, the study investigated the processes of transfer and the mechanisms used in implementing HR practices including the varied factors that influence the transfer of HR practice. This could help practitioners understand the best mechanisms to adopt and their effect on the transfer process.

The study made a significant contribution by exploring the managerial views with regards to the transfer of practices within emerging MNCs in Nigeria. It also evaluated the nature of practices, which was shaped by top management beliefs, industry characteristics, international strategy and structure.

Table 9.2: Contributions of the research

	Confirming	Extending	Discovering	Theoretical	Practice
Emerging MNCs subsidiaries in Nigeria		X	X	X	X
The process of transferring HRM policies into the subsidiaries of EMNCs		X		X	X
The factors that may have influenced the transfer of HRM in the MNCs' subsidiaries	X	X		X	X
The role of the HR department in the transfer of HR policies and practices.		X		X	X

Overall, the contributions of this study provide a broad view on the nature of the HR practices of emerging MNCs within the context of Nigeria. Nevertheless, there are some limitations.

9.5 Limitations of the Study

This study has a number of limitations. One of the main limitations is that information was collected through semi-structured interviews from senior managers in the four cases only, from two sectors (Financial and Telecommunication), from one subsidiary (Nigeria), from three (home) emerging countries (South Africa, Singapore and the UAE). The study did not include other emerging countries which would have produced more results (for example, China, India, Brazil or Russia) nor different sectors, as these must be taken into account (Colling and Clark, 2002). Irrespective of these limitations, there is a growing importance of emerging MNCs and research in this area is quite limited. Hence, the findings from this study make a valuable contribution to IHRM, emerging MNCs' strategies and the transfer of HRM policies and practices.

Another limitation of the study was in relation to the profile of the interviewees. The study was limited to finding out the views of senior managers at the subsidiary. Using other respondents (senior managers at the HQs) would have contributed to the validation of the responses of the interviewees. Interviewing senior managers from the HQs was not feasible at the time of this study.

With respect to the methodology, the use of a semi-structured interview has its own weaknesses as the interviewer might reveal bias in the process of conducting the interview or in the course of interpreting the responses (Saunders *et al.*, 2003). The process of establishing a relationship with the respondents was challenging as some respondents withdrew or were uncomfortable with participating in the study (Marshall and Rossman, 1999). Nevertheless, this was achieved to a large extent.

Due to the ethical consideration of this study, the companies and respondents were kept anonymous; hence, all the information collected about the companies were kept confidential as mentioning them may reveal the company's identity and they were not mentioned explicitly in this study.

Another limitation is that this study did not consider the different types and levels of employees. HR practices could vary for various categories of employees (Edwards and Kuruvilla, 2005); this suggests that the views of managerial staff with respect to certain practices could vary from those of non-managerial staff. Although this is recognised it is not the crux of this study.

9.6 Future Research

Various avenues for future research can be proposed to enhance understanding of how HRM policies and practices are transferred in developing countries. A longitudinal design could be implemented to understand the process of transfer over a period of time (Creswell, 2008). This would allow for an understanding of the process of change and the collecting of information in a continuous process as in longitudinal research information can be obtained from the respondents at intervals (Kumar, 2005)

It is important to replicate this study in different contexts to complement the findings of this study. Increasing the number of EMNCs' subsidiaries from other countries to include others from big emerging countries like Brazil, Russia, India and China (BRIC), and also from different sectors. This will further enhance the generalisability of the results of the study.

Given that this study adopted a qualitative approach, a quantitative approach could be implemented to further test the findings of this study and to additionally increase credibility.

This study focused more on a top-down perspective. Future studies can explore acquiring information from other levels of employees, most importantly middle managers who are directly involved in implementing policies. Additionally, EMNCs are still in the process of transition and until they reach their threshold, more studies should explore the stages of transfer and how HR's role is transforming through the whole process whilst exploring the individual, organisational and institutional factors as well (Pritchard, 2010).

Conclusively, this study has shed some light in the area of International HRM regarding the transfer of HR practices to Nigerian subsidiaries. This is an original research and could be a used to extend knowledge through further research conducted in the area of IHRM in Africa, and particularly Nigeria.

References

- Abo, T. (Ed.) (1994). *Hybrid Factory: The Japanese Production System in the United States*. New York, NY: Oxford University Press.
- Adegoroye, A. A. and Moruf, O. (2012). Strategic Human Resources Management practices in the Post Consolidated Nigerian commercial banks, *European Journal of Business and Management*, 4, (15): 168-176.
- Adeleye, I., 2011, Theorising human resource management in Africa: Beyond cultural relativism. *African Journal of Business Management*, 5(6): 2028-2039
- Adesina, S. (1988). *The development of modern education in Nigeria*. Ibadan: Heinemann.
- Adler, N. (1995). *International Dimension of Organizational Behavior* (2nd edn.). Boston, MA: PWS-Kent.
- Adler, N.J. and Ghadar, F. (1990). 'International Strategy from the Perspective of People and Culture: The North American Context,' in *Research in Global Strategic Management*, A.M. Rugman (Ed.), Greenwich, CT: JAI Press, pp. 179–205.
- Aggarwal, R. and Ghauri, P.N. (1991). 'The Evolution of Multinationals from a Small Economy: A Study of Swedish Firms in Asia,' in *Foreign Direct Investments from Emerging Markets*, P.J. Buckley and J. Clegg (Eds), London: Macmillan, pp. 248–269.
- Agmon, T. and Kindleberger, C. (1977). *Multinationals from Small Countries*, Cambridge, MA: MIT Press.
- Ajayi, J.F.A. (1965). *Christian missions in Nigeria 1841-1891: The making of a New Elite*. London: Longman.
- Akinwale, A. A. (2011). "Labour Reform and Industrial Conflicts Mismanagement in Nigeria". A Paper presented at the sixth IIRA African Regional Congress of Industrial Relations, Lagos, Nigeria, 24-28 January, 2011.
- Alcazar, F.M., Fernandez, P.M.R., and Gardey, G.S. (2005). Researching on SHRM: An analysis of the debate over the role played by human resources in firm success. *Management Revue*, 16: 213-241.
- Aldrich, H. (1976). 'Resources dependence and inter-organizational relations'. *Administration and Society*, 7: 419-454.
- Aldrich, H. (1979). *Organizations and environments*. Englewood Cliffs, NJ: Prentice Hall.

Anaeto, V. (2015). 'Challenges of the Banking Industry Environment: 2014-2016'. *Vanguard News*. (Online) 21st December. Available from: <http://www.vanguardngr.com/2015/12/banking-industry-environment-2014-2016-challenges/> (Accessed: 8th September, 2016).

Anakwe, U.P. (2002). Human resource management practices in Nigeria: challenges and insights. *The International Journal of Human Resource Management*, 13 (7): 1042-1059.

Andersson, U. and Forsgren, M. (1996). Subsidiary Embeddedness and Control in the Multinational Corporation. *International Business Review*, 5(5): 487-508.

Andreeva, T., Festing, M., Minbaeva, D.B. and Muratbekova-Touron, M. (2014). The Janus Faces of IHRM in Russian MNEs. *Human Resource Management*, doi: 10.1002/hrm.21615

Anney, V.N. (2014). Ensuring the Quality of the Findings of Qualitative Research: Looking at Trustworthiness Criteria. *Journal of Emerging Trends in Educational Research and Policy Studies (JETERAPS)* 5(2): 272-281.

Appleton, J.V. (1995). Analysing qualitative interview data: addressing issues of validity and reliability. *Journal of Advanced Nursing*, 22 (5): 993-997.

Arkin, A. (1999). Return to centre. *People Management*, 6 May: 34-41.

Arp, F. (2014). Emerging Giants, Aspiring Multinationals, and Foreign Executives: Leapfrogging, Capability Building, and Competing with Developed Country Multinationals. *Human Resource Management*, 53 (6): 851-876

Ary, D., Jacobs, L. C., Razavieh, A., and Sorensen, C.K. (2010). Introduction to research in education (8 edn.). New York, NY: Hult Rinchart & Wiston.

Attride-Stirling, J. (2001). Thematic Networks: An Analytic Tool for Qualitative Research. *Qualitative Research*. 1 (3): 385-405.

Ayandele, E.A. (1966). *The missionary impact on modern Nigeria, 1842-1914: A political and social analysis*. London: Longman.

Aybar, B. and Thirunavukkarasu, A. (2005). Emerging market multinationals: an analysis of performance and risk characteristics. *Journal of Asia-Pacific Business*, 6 (2): 5-39.

Aycan, Z., Al-Hamadi, A.B., Davis, A., and Budhwar, P. (2007). Cultural Orientations and Preferences for HRM Policies and Practices: The Case of Oman. *International Journal of Human Resource Management*, 18 (1): 11-32.

Aycan, Z., Kanungo, R.N. and Sinha, J.B. (1999). Organizational Culture and Human Resource Management Practices. *Journal of Cross-Cultural Psychology*, 30 (4): 501-26.

Azolukwam, V. and Perkins, S. (2009). Managerial perspectives on HRM in Nigeria: evolving hybridization? *Cross Cultural Management: An International Journal*, 16 (1): 5-27.

Bae J, Chen S, Wan D, Lawler J, Walumbwa F (2001). "Human resource strategy and firm performance in Pacific Rim countries". *International Journal of Human Resource Management*, 14(8): 1308 - 1332.

Bae, J., Chen, S., and Lawler, J. (1998). Variations in human resource management in Asian countries: MNC home country and host country effects. *International Journal of Human Resource Management*, 9 (4): 653–670.

Baliga, B.R. and Jaeger, A.M. (1984). Multinational Corporations: Control Systems and Delegation Issues. *Journal of International Business Studies*, 15 (2), 25–40.

'Banks Industry Profile: Nigeria' 2015, *Banks Industry Profile: Nigeria*, pp. 1-35.

Barney, J.B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17 (1): 99–120.

Bartlett, C. and Ghoshal, S. (1998). *Managing across Borders: The Transnational Solution*, Boston: Harvard Business School Press.

Bartlett, C.A. and Ghoshal, S. (1987). Managing across borders: new strategic requirements. *Sloan Management Review*, 28 (Summer): 7-17.

Baxter, J. and Eyles, J. (1997). Evaluating qualitative research in social geography: Establishing 'rigour' in interview analysis. *Transactions of the Institute of British Geographers*, 22 (4): 505-525. doi: 10.1111/j.0020-2754.1997.00505.x

BBC (2015) 'Nigeria telecom giant MTN fined a record \$5.2bn'. *BBC* (Online) Available from: <http://www.bbc.co.uk/news/business-34638595> (Accessed: 8th September, 2016).

Beechler, S. and Yang, J.Z. (1994). The Transfer of Japanese Style Management to American Subsidiaries: Contingencies, Constraints and Competencies. *Journal of International Business Studies*, 25: 467-92.

Belizon, J.M., Gunnigle, P., and Morley, M. (2013). Determinants of Central Control and Subsidiary Autonomy in HRM: The Case of Foreign-owned Multinational Companies in Spain. *Human Resource Management Journal*, 23 (3): 262-278.

Bennell, P. (1994). "Improving the Performance of the Public Sector in LDCs: New Approaches to HRM Planning and Management", Occasional Paper, no. 25, Geneva: International Labour Organization.

Bernard, R.H., and Ryan, G.W. (2010). *Analyzing qualitative data: systematic approaches*. London: Sage.

Bhagat, R., Englis, P., & Kedia, B. (2007). Creation, diffusion, and transfer of organizational knowledge in transnational and global organizations. In L. Neider, & C. Schriesheim (Eds.). *Management international perspectives*. Charlotte: Information Age Publishing.

Birks, M., Chapman, Y., and Francis, K. (2008). Memoing in Qualitative Research Probing Data and Processes. *Journal of Research in Nursing*, 13 (1): 68-75.

Bisman, J. (2002). *The critical realist paradigm as an approach to research in accounting*. Poster Presentation at the accounting Association of Australian and New Zealand Annual Conference, 7-9 July, 2002, Perth, Australia.

Bitsch, V. (2005). Qualitative research: A grounded theory example and evaluation criteria. *Journal of Agribusiness*, 23 (1): 75-91.

Björkman, I. and Lervik, J.E. (2007). Transferring HR practices within multinational corporations. *Human Resource Management Journal*, 17 (4): 320-3356

Björkman, I., Budhwar, P., Smale, A., and Sumelius, J. (2008). Human Resource Management in Foreign-Owned Subsidiaries. *International Journal of Human Resource Management*, 19 (5): 964-978.

Björkman, I., Fey, C., and Park, H.J. (2007). Institutional Theory and MNC Subsidiary HRM Practices: Evidence from a Three-Country Study. *Journal of International Business Studies*, 38: 430–446

Bonache, J., Brewster, C., and Suutari, V. (2001). Expatriation: A Developing Research Agenda. *Thunderbird International Business Review*, 43 (1): 3-20.

Bond, M.H. (2001). 'Surveying the Foundations: approaches to Measuring Group, Organisational and National Variations' in M. Erez and U. Kleinbeck (Eds.), *Work Motivation in the Context of A Globalizing Economy*, Mahwah, NJ: Lawrence Erlbaum: 395-412.

Bonoma, T.V. (1985). Case research in marketing: opportunities, problems, and a process. *Journal of Marketing Research*, 22 (2): 199-208.

Boselie, P., Dietz, G., and Boon, C. (2005). Commonalities and contradictions in HRM and performance research. *Human Resource Management Journal*, 15 (3): 67–94.

Boudreau, J.W. and Ramstad, P.M. (2006). Talentship and HR measurement and analysis: From ROI to strategic organizational change. *Human Resource Planning*, 29(2), pp. 25–33.

Bowen, G.A. (2009). Supporting a grounded theory with an audit trail: An illustration. *International Journal of Social Research Methodology*, 12(4), 305- 316. doi: 10.1080/13645570802156196.

Bowling, A. (2009). *Research methods in health* (3rd edn.). Maidenhead. Open University Press.

- Boxall, P. and Purcell, J. (2003). *Strategy and Human Resource Management*, New York: Palgrave Macmillan.
- Boxall, P. and Purcell, J. (2011). *Strategy and Human Resource Management- Management Work and Organisations*, (3rd edn.). Basingstoke, Palgrave Macmillan.
- Bratton, J. and Gold, J. (2007). *Human Resource Management: Theory and Practice* (4th edn.), Basingstoke, UK: Macmillan.
- Brenner, B. (2009). *'Management Control in Central and Eastern European Subsidiaries'*. Hampshire, UK: Palgrave Macmillan.
- Brewster, C., Sparrow, P., and Harris, H. (2005). Towards a new model of globalizing HRM. *International Journal of Human Resource Management*, 16 (6): 949–970.
- Brewster, C., Sparrow, P., Vernon, G., and Houldsworth, E. (2011). *International Human Resource Management*, London: CIPD.
- Brewster, C., Wood, G., and Brookes, M. (2008). Similarity, Isomorphism or Duality? Recent Survey Evidence on the Human Resource Management Policies of Multinational Corporations. *British Journal of Management*, 19 (4): 320–342.
- Bruton, G.D., Ahlstrom, D., and Chan, E.S. (2000). Foreign Firms in China: Facing Human Resources Challenges in a Transitional Economy. *SAM Advanced Management Journal*, 65 (4): 4-13.
- Bryman, A. (1989). *Research methods and organization studies*. London: Routledge.
- Bryman, A. (1992). *Charisma and leadership in organisations*. London: Sage.
- Bryman, A. (2007). *Qualitative Research 2*. (4th edn.). London: Sage.
- Buchanan, D.A. (2009), 'Managing Strategic Change,' in J. Storey, P.M. Wright, and D. Ulrich (Eds), *The Routledge Companion to Strategic Human Resource Management*. London: Routledge, pp. 149–164.
- Budhwar, P. (2004). *Managing Human Resource in Asia-Pacific*. London: Routledge.
- Budhwar, P. and Sparrow, P.R. (2002). An integrative framework for understanding cross-national human resource practices. *Human Resource Management Review*, 12: 377-403.
- Budhwar, P.S. and Debrah, Y.A. (2001). *Human Resource Management in Developing Countries*. London: Routledge.
- Budhwar, P.S., and Debrah, Y. (2004b). *Human Resource Management in Developing Countries*. London: Routledge.

- Budhwar, P.S., Varma, A., Singh, V., and Dhar, R. (2006). HRM Systems of Indian Call Centres: An Exploratory Study. *International Journal of Human Resource Management*, 17 (5): 881– 897.
- Budhwar, R. and Debrah, Y. (2004a). *HRM Challenges in the Asia Pacific*. London: Routledge.
- Burnard, P. (1994). Searching for Meaning: a Method of Analysing Interview Transcripts with a personal computer. *Nurse Education Today*. 14: 111-117.
- Burnard, P. (2002). *Learning Human Skills*. (4th edn.). Oxford: Butterworth Heinemann,.
- Caldwell, R. (2001). Champions, Adapters, Consultants and Synergists: The New Change Agents in HRM. *Human Resources Management Journal*, 11 (3): 39–52.
- Caldwell, R. (2003). The changing roles of personnel managers: old ambiguities, new uncertainties. *Journal of Management Studies* 40 (4): 983-1004.
- Caldwell, R. (2008). HR Business Partner Competency Models: Re-contextualising Effectiveness. *Human Resource Management Journal*, 18 (3): 275–294.
- Carroll, G.R., Spiller, P.T., and Teece, D.J. (1999). 'Transaction cost economics: its influence on organizational theory, strategic management, and political economy', in Carroll, G.R., Teece, D.J. (Eds), *Firms, Markets, and Hierarchies: the Transaction Cost Economics Perspective*. New York: Oxford University Press: pp. 60–88.
- Carroll, S.J. (1991). 'The new HRM roles, responsibilities, and structures. Managing human resources in the information age', in R.S. Schuler and S.J. Carroll (Eds.), *Human Resources Management in the 1980s*. Washington, DC: Bureau of National Affairs, pp. 204-226.
- Carson, D., Gilmore, A., Perry, C., and Gronhaug, K., (2001). *Qualitative Marketing Research*. London: Sage.
- Casey, D. (2007). Nurses' perceptions, understanding and experiences of health promotion. *Journal of Clinical Nursing*. 16 (6): 1039-1049.
- Casey, D. and Murphy, K. (2009). Issues in using methodological triangulation in research. *Nurse Researcher*. 16 (4): 40-55.
- Chang, E. and Taylor, S.M. (1999). Control in multinational corporations (MNCs): The case of Korean manufacturing subsidiaries. *Journal of Management*. 25 (4): 541-565.
- Chang, Y.Y., Mellahi, K., and Wilkinson, A. (2009). Control of subsidiaries of MNCs from emerging economies: The case of Taiwanese MNCs in the UK. *The International Journal of Human Resource Management*, 20 (1): 75–95.

- Chen, S., Lawler, J., and Bae, J. (2005). Convergence in Human Resource Systems: A Comparison of Locally Owned and MNC Subsidiaries in Taiwan. *Human Resource Management*, 44 (3): 237–256.
- Child, J. (1972) 'Organization structure and strategies of control', *Administrative Science Quarterly* 17: 163–17
- Child, J. (1984). *Organization* (2nd edn.). London: Harper & Row.
- Child, J., Failkner, D., and Pitkethly, R. (2000). Foreign Direct Investment in the UK 1985–1994: The Impact on Domestic Management Practice. *Journal of Management Studies*, 37 (1): 141–116.
- Chilisa, B., & Preece, J. (2005). *African perspective in adult learning: Research methods for adult educators*. Hamburg, Germany: UNESCO Institute of Education.
- Chu, R., & Wood, T. (2008). Brazilian cultural organization in post-globalization: global or local? *Revista de Administração Pública*, 42(5), 969-991.
- Chung, C., Sparrow, P. and Bozkurt, Ö. (2014) South Korean MNEs' international HRM approach: hybridization of global standards and local practices. *Journal of World Business*, 49 (4): 549-559
- Clark, K. and Lengnick-Hall, M. (2012). MNC practices transfer: Institutional theory, strategic opportunities and subsidiary HR configuration. *International Journal of Human Resource Management*, 23 (18): 3813–3837.
- Clark, N. and Ausukuya, C. (2013). Why such intense demand for study abroad among Nigerian students? *World Education News and Reviews* (WENR), 1 July 2013. Available at: <http://wenr.wes.org/2013/07/an-overview-of-education-in-nigeria/> [Accessed 20/06/2014]
- Clemmons, S. and Simon, S.J. (2001). 'Control and Coordination in Global ERP Configuration', *Business Process Management Journal*, 7 (3): 205-215.
- Cohen, L., Manion, L., and Morrison, K. (2011). *Research methods in education* (7th dn.). New York, NY: Routledge.
- Collings, D. and Wood, G. (2009). *Human Resource Management: A critical approach*, London: Taylor & Francis Group.
- Collings, D.G. and Scullion, H. (2006). 'Global Staffing', in, Stahl, G.K. and Björkman, I. (Eds.), *Handbook of Research in International Human Resource Management*. Cheltenham, UK: Edward Elgar
- Collings, D.G., Scullion, H., and Morley, M.J. (2007). Changing Patterns of Global Staffing in the Multinational Enterprise: Challenges to the Conventional Expatriate Assignment and Emerging Alternatives. *Journal of World Business*, 42 (2): 198-213.

Conner, J. and Ulrich, D. (1996). Human Resource Roles: Creating Value, Not Rhetoric HR. *Human Resource Planning*, 19 (3): 38–49.

Conner, K. (1991). A Historical Comparison of Resource-Based Theory and Five Schools of Thought Within Industrial Organization Economics: Do We Have a New Theory of the Firm? *Journal of Management*, 17 (1), 121-154.

Constanza, B. (2009). Retail internationalization from emerging markets: A case study evidence from Chile. *International Marketing Review*, 26 (2): 221-243.

Contessi, S. and Al-Ghazaly, H. (2010). *Multinationals from Emerging Economies Growing but Little Understood* [Online]. Available at: <https://research.stlouisfed.org/publications/regional/10/07/multinational.pdf> [Accessed 12-02-2016].

Contractor, F. (2013). “Punching above their weight”: The sources of competitive advantage for emerging market multinationals’, in multinationals. In M. Demirbag, & A. Yaprak (Eds.), *Handbook of emerging market MNEs*. Cheltenham, UK: Edward Elgar.

Contractor, F.J. (2012) Why Do Multinational Firms Exist? A Theory Note about the Effect of Multinational Expansion on Performance and Recent Methodological Critiques. *Global Strategy Journal*, 2(4): 318-331.

Cooke, F. L. (2014). Chinese multinational firms in Asia and Africa: Relationships with institutional actors and patterns of HRM practices. *Human Resource Management*. Advance online publication. doi: 10.1002/hrm.21612.

Cray, D. (1984). Control and Coordination in Multinational Corporations. *Journal of International Business Studies*, 15: 85–98.

Creswell, J.W. (2014). *Research Design Qualitative, Quantitative, and Mixed Methods Approaches* (4th edn.). Thousand Oaks, CA: Sage.

Cunningham, J.B. and Debrah, Y.A. (1995). Skills for Managing Human Resources in a Complex Environment: The Perceptions of Human Resource Managers in Singapore. *The International Journal of Human Resource Management*, 6 (1): 79–101.

Dacin, M.T., Goodstein, J., and Scott, W.R. (2002). Institutional Theory and Institutional Change: Introduction to the Special Research Forum. *Academy of Management Journal*, 45: 45–57.

Das, S.K. (1998). *Civil Service Reform and Structural Adjustment*. New York: Oxford University Press.

Davenport, T. and Saunders, C. (2000) *South Africa: A Modern History*. London: Palgrave Macmillan

Davis, D.D. (1995). 'Form, Function, and Strategy in Boundariless Organizations'. In Howard, A. (Ed.), *The Changing Nature of Work*. San Francisco: Jossey-Bass, pp. 1-49.

Debrah Y, Smith I (2002). "Globalization, employment and the workplace: Diverse impacts?", in Y Debrah, I Smith (eds) *Globalization, Employment and the Workplace: Diverse Impacts*.

Debrah, Y., and Budhwar, P. (2004). HRM challenges in the Asia-Pacific: Agenda for future research and policy. In P. Budhwar (Ed.). *Managing human resources in Asia-Pacific*. London: Routledge, pp. 269–279.

Demirbag, M. and Yaprak, A (2015). 'Introduction: The rise of internationalizing firms from emerging markets'. in M Demirbag and A Yaprak (eds), *Handbook of Emerging Market Multinational Corporations*. Cheltenham: Elgar, pp. 1-13.

Denzin, N.K. and Lincoln, Y.S. (2008). 'Introduction: The discipline and practice of qualitative research', in N.K. Denzin and Y.S. Lincoln (Eds.), *Strategies of qualitative inquiry*. Thousand Oaks, CA: Sage, pp. 1-44.

DiMaggio, P. and Powell, W. (1991). *Introduction to the New Institutionalism on Organizational Analysis*. Chicago, IL: University of Chicago Press.

Dowling, P, Festing , M and Engle, Sr. E.D. (2013). *International human resource management*. London: Cengage Learning

Dowling, P.J. (1999). Completing the Puzzle: Issues in the Development of the Field of International Human Resource Management. *Management International Review*, 39: 27-44.

Dowling, P.J., Festing, M., and Engle, A.D. (2007). *International Human Resource Management* (5th edn.). London: Thomson.

Doz, Y. and Prahalad, K. (1991). Managing DMNCs: A Search for a New Paradigm. *Strategic Management Journal*, 12: 145–164.

Doz, Y.L. and Prahalad, C.K. (1986). Controlled Variety: A Challenge for Human Resource Management in the MNC. *Human Resource Management*, 25 (1): 55-71.

Doz, Y.L., Bartlett, C.A. and Prahalad, C.K. (1981). Global Competitive Pressures and Host Country Demands: Managing Tensions in MNCs. *California Management Review*, 22: 248-63.

Dunford, B.B, Snell, S.A., and Wright, P.M. (2001). 'Human Resources and the Resource Based View of the Firm', (CAHRS Working Paper #01-03). Ithaca,, NY: Cornell University, School of Industrial and Labor Relations, Center for Advanced Human Resource Studies.

Duvivier, F. and Peeters, C. (2011). '*The Use of Expatriates in the Offshoring of Services: Framework and Research Proposition*', CEB Working Paper No. 11/059, EURAM Conference Paper, Solvay Brussels School of Economics & Management, Free University of Brussels, Belgium, 6-9th July, 2011.

Edstrom, A. and Galbraith, J.R. (1977). Transfer of Managers as a Coordination and Control Strategy in Multinational Organizations. *Administrative Science Quarterly*, 22 (6): 248–263.

Edstrom, A. and Lorange, P. (1984). 'Matching strategy and human resources in multinational corporations'. *Journal of International Business Studies*, 15 (2): 125-38.

Edwards, J.R. and Rothbard, N.P. (2000). Mechanisms linking work and family: Clarifying the relationship between work and family constructs. *Academy of Management Review*, 25: 178–199.

Edwards, P., Ferner, A. and Sisson, K. (1996) The Conditions for International Human Resource Management: Two Case Studies", *International Journal of Human Resource Management*, 7(1): 20-40

Edwards, T. (1998). 'Multinational companies and the diffusion of employment practices: a survey of the literature', Warwick Papers of Industrial Relations. 61, November. Coventry: IRRU, University of Warwick.

Edwards, T. (2000). Multinationals, international integration and employment practices in domestic plants. *Industrial Relations Journal*, 31 (2): 115-129.

Edwards, T. and Kuruvilla, S. (2005). International HRM: National Business Systems, Organizational Politics and the International Division of Labor in MNCs. *International Journal of Human Resource Management*, 16 (1): 1–21.

Edwards, T., Colling, T. and Ferner, A. (2007). Conceptual Approaches to the Transfer of Employment Practices in Multinational Companies: An Integrated Approach. *Human Resource Management Journal*, 17 (3): 201–217.

Edwards, T., Rees, C., and Coller, X. (1999). Structure, politics and the diffusion of employment practices in multinationals. *European Journal of Industrial Relations*. 5 (3): 286-306.

Egbe, I, Tsamenyi, M., and Sa'id, H. (2012). 'A Study of the Operations of Formal and Informal Controls in a Multinational Subsidiary in Nigeria', in, Tauringana, V. and Mangena, M. (Eds.), 'Accounting in Africa', *Research in Accounting in Emerging Economies*, 12, pp. 1-29

Egelhoff, W. (1988) *Organizing the Multinational Enterprise: An Information-Processing Perspective*, Ballinger: Cambridge, MA.

Eisenhardt, K. (1989). Building Theories from Case Study Research. *The Academy of Management Review*, 14 (4): 532-550.

Erasmus, B., Schenk, H., and Swanepoel, B. (2009). *South African Human Resource Management: Theory & Practice* (4th edn.). South Africa: Juta Legal and Academic Publishers.

Erez, M. (1994). 'Toward a Model of Cross-Cultural Industrial and Organizational Psychology', in Triandis, H.C., Dunnette, M.D. and Hough, L.M. (Eds), *Handbook of Industrial and Organizational Psychology*, Vol. 4. Palo Alto, CA: Consulting Psychologists Press, pp. 559-608.

Evans, A. and Cowling, A. (1985). Personnel's part in organisation restructuring, *Personnel Management*, 17 (1): 14-17.

Evans, P., Pucik, V., and Barsoux, J.L. (2002). *The Global Challenge: Frameworks for International Human Resource Management*. New York, NY: McGraw Hill/ Irwin.

Evans, P., Pucik, V., and Björkman, I. (2011). *Global challenge: International human resource management*. (2nd edn.). New York: McGraw-Hill.

Fafunwa, A.B. (1974). *History of Education in Nigeria*. London: George Allen and Unwin.

Fajana, S. (2009). HR Management in Africa: The Social and Economic Framework, *Personalführung*, 7: 80 86.

Fajana, S. and Ige, A.Y. (2009). *Globalisation and International Labour Mobility: An in-depth study of the Nigerian Health Sector*, Conference of Marco Biangi Foundation. Modena, Italy,

Fajana, S., Owoyemi, O., Elegbede, T., and Gbajumo-Sheriff, M. (2011). Human Resource Management Practices in Nigeria. *Journal of Management and Strategy* 2 (2): 57-62.

Farley, J.U., Hoenig, S., and Yang, J.Z. (2004). Key factors influencing HRM practices of overseas subsidiaries in China's transition economy. *International Journal of Human Resource Management*, 15(4-5): 688-704.

Farndale, E. and Paauwe, J. (2005). *The Role of Corporate HR Functions in Multinational Corporations: The Interplay Between Corporate, Regional/National And Plant Level*, CAHRS Working Paper Series: Center for Advanced Human Resource Studies (CAHRS).

Farndale, E., Brewster, C., and Poutsma, E. (2008). Coordinated vs. Liberal Market HRM: The Impact of Institutionalization on Multinational Firms. *International Journal of Human Resource Management*, 19 (11): 2004-2023.

Farndale, E., Paauwe, J., Morris, S. S., Stahl, G. K., Stiles, P., Trevor, J., et al. (2010a). Context-bound configurations of corporate HR functions in multinational corporations around the globe. *Human Resource Management*, 49 (1): 26-45.

Farndale, E., Scullion, H., Sparrow, P., (2010b). The role of the corporate HR function in global talent management. *Journal of World Business*, 45: 161-168.

Fenton-O'Creevy, M., Gooderham, P., and Nordhaug, O. (2007). Human Resource Management in US Subsidiaries in Europe and Australia: Centralization or Autonomy? *Journal of International Business Studies*, 39 (1): 151-166.

- Ferner, A. (1994). Multinational companies and human resource management: an overview of research issues. *Human Resource Management Journal*, 4 (3): 79-102.
- Ferner, A. (1997). Country of origin effects and HRM in multinational companies, *Human Resource Management Journal*, 7 (1): 19–37.
- Ferner, A. (2000). The underpinning of bureaucratic control systems: HRM in European multinationals. *Journal of Management Studies*, 37 (4): 521-540.
- Ferner, A. (2003). The Underpinning of “Bureaucratic” Control Systems: HRM in European Multinationals. *Journal of Management Studies*, 37 (4): 521–539.
- Ferner, A. (2009). ‘HRM in multinational companies’, in A. Wilkinson, N. Bacon, T. Redman, and S. Snells (Eds.), *The Sage handbook of human resource management*. Thousand Oaks, CA: Sage, pp.539–558.
- Ferner, A. and Edwards, P. (1995). Power and the Diffusion of Organisational Change within Multinational Enterprises. *European Journal of Industrial Relations*, 2: 229–257.
- Ferner, A. and Quintanilla, J. (1998). Multinationals, national business systems and HRM: the enduring influence of national identity or a process of Anglo- Saxonization. *The International Journal of Human Resource Management*, 9 (4): 710-731.
- Ferner, A. and Varul, M.Z. (2000). Internationalisation and the personnel function in German multinationals. *Human Resource Management Journal*, 10 (3): 79-96.
- Ferner, A., Almond, P., Clark, I., Colling, T., Edwards, T., Holden, L., et al. (2004). Dynamics of central control and subsidiary autonomy in the management of human resources: Case study evidence from US MNCs in the UK. *Organization Studies*, 25 (3): 363–391.
- Ferris, G.R., Hochwarter, W.A., Buckley, M.R., Harrell-Cook, G., and Frink, D.D. (1999). Human resources management: Some new directions. *Journal of Management*, 25 (9): 385–415.
- Fey, C., Engstrom, P., and Björkman, I. (1999). Effective Human Resource Management Practices for Foreign Firms in Russia. *Organizational Dynamics*, 28 (2): 69-80.
- Fleury, A., and Fleury, M.T.L. (2011), *Brazilian Multinationals – Competences for Internationalization*, Cambridge: Cambridge University Press.
- Foot, D. and Robinson, I. (1999). The Role of the Human Resources Manager: Strategist or Conscience of the Organisation? *Business Ethics: A European Review*, 8 (2): 88–98.
- FTSE (2012). Emerging markets. [Online] FTSE. Retrieved from http://www.ftse.co.uk/Indices/FTSE_Emerging_Markets/index.jsp. Accessed 12-02-2016].

Fulmer, R., Gibbs, P., and Keys, J. (1998). The second generation learning organizations: new tools for sustaining competitive advantage. *Organizational Dynamics*, 27 (2)Autumn: 7-20.

Galbraith, J. (1973) *Designing Complex Organizations*, Addison-Wesley: Reading, MA.

Gamble, J. (2003). Transferring human resource practices from the United Kingdom to China: The limits and potential for convergence. *The International Journal of Human Resource Management*, 14 (3): 369–458.

Gammeltoft, P., Barnard, H., and Madhok, A. (2010). Emerging multinationals, emerging theory: Macro-and-micro-level perspectives. *Journal of International Management*, 16: 95–101.

Gatignon, H. and Anderson, E. (1988). The Multinational Corporations' Degree of Control Over Foreign Subsidiaries: An Empirical Test of a Transaction Cost Explanation. *Journal of Law Economics and Organization*, 4 (2): 85–98.

Gencturk, E.F. and Aulakh, P.S. (1995). The Use of Process and Output Controls in Foreign Markets. *Journal of International Business Studies*, 26 (4): 755–786.

Ghoshal, S. and Gratton, L. (2002). Integrating the enterprise, *Sloan Management Review*, 44: 31–38.

Ghoshal, S., and Nohria, N. (1993). Horses for Courses: Organizational Forms for Multinational Corporations. *Sloan Management Review*, 34 (2): 23–35.

Glaser, B. and Strauss, A. (1967). *The Discovery of Ground Theory: Strategies for Qualitative Research*. Chicago: Aldine Transaction.

Glover, L. and Wilkinson, A. (2007) 'Worlds colliding: The translation of modern management practices within a UK based subsidiary of a Korean-owned MNC', *The International Journal of Human Resource Management*, 18, 8:1437-1455.

Goldstein, A., and Pusterla, F. (2008). Emerging economies' multinationals: general features and specificities of the Brazilian and Chinese cases. Milan: Faculty of Commerce. CESPRI.

Gomez, C. and Sanchez, J.I. (2005). Human Resource Control in MNCs: A Study of the Factors influencing the Use of Formal and Informal Control Mechanisms. *International Journal of Human Resource Management*, 16 (10): 1847-1861.

Gooderham, P.N., Nordhaug, O., and Ringdal, K. (1999). Institutional determinants of organizational practices: Human resource management in European firms. *Administrative Science Quarterly*, 44: 507-531.

Graneheim, U.H., Lundman, B. (2004). Qualitative content analysis in nursing research: concepts, procedures and measures to achieve trustworthiness. *Nurse Education Today*, 24 (2): 105-112.

Gratton, L. (2005). Managing integration through cooperation, *Human Resource Management Journal*, 44 (2): 151–158

Grindle, M. (1997). 'The Good Governance Imperative: Human Resources, Organisations and Institutions', in Merilee, G. (Ed.), *Getting Good Government: Capacity-Building in the Public 215 Sector of Developing Countries*. Boston, MA; Harvard Institute for International Development, pp. 3-28

Grinnell, R and Untau, Y. (2010). *Social Work Research and Evaluation: Foundations of Evidence- Based Practice*. (9th edn.). London: Oxford University Press.

Guba, E.G. and Lincoln, Y.S. (1989). *Fourth generation evaluation*. Newbury Park, CA: Sage.

Guest, D.E. (1990). Human resource management and the American dream. *Journal of Management Studies*, 27 (4): 377-97.

Guest, D.E. (1991). Personnel management: the end of orthodoxy? *British Journal of Industrial Relations*, 29 (2): 149-75.

Guillen, M. F., & Garcia-Canal, E. (2009). The American model of the multinational firm and the “new” multinationals from emerging economies. *Academy of Management Perspectives*, 23, 23 – 35.

Gupta, A.K. and Govindarajan, V. (1991). Knowledge flows and structure of control within multinational corporations. *Academy of Management Review*, 16 (4): 768-792.

Hailey, V.H., Farndale, E., and Truss, C. (2005). The H.R. Department's Role in Organizational Performance. *Human Resource Management Journal*, 15 (3): 49–66.

Hall, E.T. (1959, 1980). *The Silent Language*. New York: Doubleday.

Hall, M.R. (1990). *Understanding Cultural Differences*. Yarmouth, ME: International Press.

Hall, P.A., and Soskice, D.W. (2001). *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press.

Hamel, G. and Prahalad, C.K. (1985). Do You Really Have a Global Strategy? *Harvard Business Review*, 63 (4): 139-148.

Hannon, J., Huang, I.-C., and Jaw, B.S. (1995). International Human Resource Strategy and its Determinants: The Case of Subsidiaries in Taiwan. *Journal of International Business Studies*, 26: 531-54.

- Hansen, M., Nohria, N. and Tierney, T. (1999) 'What's your strategy for managing knowledge? *Harvard Business Review* 77: 106–116
- Harzing, A. (2001). Of Bears, Bumble-Bees, and Spiders: The Role of Expatriates in Controlling Foreign Subsidiaries. *Journal of World Business*, 36 (4): 366-379
- Harzing, A.W. (2004). 'Strategy and Structure of Multinational Companies', in Harzing, A.W. and Van-Ruyseveldt, J. (Eds.), *International Human Resource Management* (2nd edn.). London: Sage, pp. 33-64.
- Harzing, A.-W. and Sorge, A. (2003). The relative impact of country of origin and universal contingencies in internationalization strategies and corporate control in multinational enterprises: Worldwide and European perspectives. *Organization Studies*, 24 (2): 187-202
- Harzing, A.W. and Van Ruyseveldt, J. (2004). *International Human Resource Management*. (2nd Edn.). London: Sage.
- Harzing, A.W.K. (1999). *Managing the multinationals: an international study of control mechanisms*. Cheltenham, UK: Edward Elgar.
- Healy, M. and Perry, C. (2000). Comprehensive criteria to judge validity and reliability of qualitative research within the realism paradigm. *Qualitative Market Research - An International Journal*, 3 (3), 118-126.
- Hedlund, G. (1981). 'Autonomy of subsidiaries and formalization of headquarters-subsidiary relationships in Swedish MNCs', in L. Otterbeck (Ed.), *The management of headquarters-subsidiary relationships in multinational corporations*. Hampshire, UK: Gower, pp. 25-78.
- Hedlund, G. (1986). The hypermodern MNC - a hierarchy?', *Human Resource Management*. 25 (1): 9-35.
- Heenan, D.A. and Keegan, W.J. (1979). The Rise of Third World Multinationals. *Harvard Business Review*, 57 (1): 101–109.
- Heenan, D.A. and Perlmutter, H.V. (1979). *Multinational Organizational Development: A Social Architectural Approach*. Reading, MA: Addison-Wesley.
- Herkenhoff, L. (2000). *National Remuneration Preferences: Cultural Analysis within the Hofstede Model*. PhD Thesis, University of Western Australia, Perth.
- Hillman, A. and Wan, W.P. (2005). The Determinants of MNE Subsidiaries' Political Strategies: Evidence of Institutional Duality. *Journal of International Business Studies*. 36 (3): 322-340.
- Hiltrop, J.M. (1999). 'The Use of HRM Practices in International and Domestic Organizations: New Zealand', *Journal of Industrial Relations*, 24 (1): 47-61.

- Hiltrop, J.-M., Despres, C., and Sparrow, P. (1995). The changing role of HR managers in Europe. *European Management Journal*, 13 (1): 91-97.
- Hirsch, P., and Lounsbury, M. (1997). Ending the Family Quarrel: Toward the Reconciliation of "Old" and "New". *American Behavioral Scientist*, 40: 406–418.
- Hodgetts, R.M., Luthans, F., and Slocum, J.W. (1999). Strategy and HRM initiatives for the 00's environment: redefining roles and boundaries, linking competencies and resources. *Organisational Dynamics*, 28 (2): 7-21.
- Hofstede, G. (2001). *Culture's consequences: comparing values, behaviors, institutions, and organizations across nations*. London, UK: Sage Publications
- Holloway, I. and Wheeler, S. (2002). *Qualitative research in nursing* (2nd edn.). Malden, MA: Blackwell.
- Horwitz, F. (2008) "Managing human resources in Africa: emergent market challenges", in J Storey, P W right, D Ulrich(eds). *The Routledge Companion to Strategic Human Resource Management*. London: Routledge, pp. 462 - 476.
- Horwitz, F. and Budhwar, P. (2015). *Handbook of HRM in emerging markets*, London: Edward Elgar.
- Horwitz, F.M. and Jain, H.C. (2008). 'Managing human resources in South Africa: A multinational firm focus', in J.J. Lawler and G. Hundley (Eds.), *The Global Diffusion of Human Resource Practices: Institutional and Cultural Limits* (Advances in International Management, 21). Basingstoke: Emerald Group, pp. 89–123.
- Horwitz, F.M., Heng, C.T., Quazi, H.A., Nonkwelo, C., Roditi, D., and van Eck, P. (2006). Human Resource Strategies for Managing Knowledge Workers: An Afro-Asian Comparative Analysis. *International Journal of Human Resource*, 17 (5): 775–811.
- Hoskisson, R., Eden, L., Lau, C.-M., and Wright, M. (2000). Strategy in emerging economies. *Academy of Management Journal*, 43: 249–267.
- Houghton, C., Casey, D., Shaw, D., and Murphy, K. (2013). Rigour in qualitative case-study research. *Nurse Researcher*, 20 (4): 12-17.
- House, R., Javidan, M., Hanges, P., and Dorfman (2002). Understanding cultures and implicit leadership theories across the globe: an introduction to project GLOBE. *Journal of World Business*, 37 (1): 3-10.
- House, R.J. (1995). 'Leadership in the Twenty-First Century: A Speculative Inquiry', in Howard, A. (Ed.), *The Changing Nature of Work*. San Francisco: Jossey-Bass

Huselid, M. A., & Becker, B. E. 2000. Comment on "Measurement error in research on human resources and firm performance: How much error is there and how does it influence effect size estimates?" by Gerhart, Wright, McMahan, and Snell. *Personnel Psychology*, 53(4): 835-854.

Hutchinson, S. (2013). *Performance management theory and practice*: London: CIPD.

Hymer, S.H. (1976). *The International Operations of National Firms: A Study of Direct Foreign Investment*. Cambridge, MA: MIT Monograph in Economics.

Innes, E. and Morris, J. (1995). Multinational Corporations and Employee Relations: Continuity and Change in a Mature Industrial Region. *Employee Relations*, 17 (6): 25–42.

Ismail, W.K.W; Omar, R., and Bidmeshgipour, M. (2010). "The Relation of Strategic Human Resource Practices with Firm Performance" *Journal of Asia Pacific Studies* Vol 1, No 3, 395-420.

Jackson, G. and Deeg, R. (2006) How many varieties of capitalism? Comparing the comparative institutional analyses of capitalist diversity. Homepage of Max Planck Institute for the Study of Societies Cologne [Online]. Accessed 12-08-2016].

Jackson, S.E. and Schuler, R.S. (1995). Understanding human resource management in the context of organizations and their environments. *Annual Review of Psychology*, 46: 237-264.

Jackson, T. (1999). Managing change in South Africa: Developing people and organizations. *International Journal of Human Resource Management*, 10: 306–326.

Jackson, T. (2002). The management of people across cultures: Valuing people differently. *Human Resource Management*, 41: 455–475.

Jackson, T. (2004). *Management and change in Africa: A cross-cultural perspective*. London, UK: Routledge.

Jackson, T. (2014). Employment in Chinese MNEs: Appraising the Dragon's Gift to Sub-Saharan Africa. *Human Resource Management*, 53: 6 897–919.

Jackson, T., Louw, L., and Zhao, S. (2013). China in sub-Saharan Africa: implications for HRM policy and practice. *International Journal of Human Resource Management*, 24 (13): 2512-2533.

Jaeger, A.M. (1983)/ The Transfer of Organizational Culture Overseas: An Approach to Control in the Multinational Corporation. *Journal of International Business Studies*, 14 (2): 91–114.

Jaeger, A.M. and Kanungo, R.N. (Eds) (1990). *Management in Developing Countries*. London: Routledge.

Jaeger, A.M., Kanungo, R.N., Srinivas, N. (1995)/ 'A Review of HRM Success in Developing Countries', in Kanungo, R.N. and Saunders, D.M. (Eds.), *Employee Management in Developing Countries*. Greenwich, CT: JAI Press.

Jain, H.C, Lawler, J.J., and Morishima, M. (1998). Multinational Corporations, Human Resource Management and Host-Country Nationals. *The International Journal of Human Resource Management*, 9 (4): 553-66.

Javalgi, R. G, Dixit, A., and Scherer, R. F. (2009). Outsourcing to emerging markets: Theoretical perspectives and policy implications. *Journal of International Management*, 15 (2): 156-168.

Jensen, R. and Szulanski, G. (2004). Stickiness and the Adaptation of Organizational Practices in Cross-Border Knowledge Transfers. *Journal of International Business Studies*, 35: 508–523.

Johnson, P. and Clark, M. (Eds) (2006). *Research Methods in Business and Management: Volume 2 Positivism: Deductive Research Methodologies*. London: Sage.

Johnston, S. (2005). *Headquarters and Subsidiaries in Multinational Corporations*, 'Strategies, Tasks and Coordination. Hampshire, New York: Palgrave Macmillan.

Jormanainen, I. and Koveshnikov, A. (2012). International activities of emerging market firms: A critical assessment of research in top international management journals. *Management International Review*, 52 (5): 691–725.

Kamoche, K. (1992). Human Resource Management: An Assessment of the Kenyan Case. *International Journal of Human Resource Management*, 3: 497-521.

Kamoche, K.N. (2000). *Sociological Paradigms and Human Resources: An African Context*. Aldershot, UK: Ashgate.

Kaplan Financial Limited (2012). Transaction cost theory [Online]. Available at: <http://kfkknowledgebank.kaplan.co.uk/KFKB/Wiki%20Pages/Transaction%20cost%20theory.aspx> [Accessed: 20/06/2014]

Kaye, M. and Taylor, W.G. (1997). Expatriate culture shock in China: A study in the Beijing hotel industry. *Journal of Managerial Psychology*, 12 (8):496- 505

Keegan, A. and Francis, H. (2010). Practitioner Talk: The Changing Textscape of HRM and Emergence of HR Business Partnership. *International Journal of Human Resource Management*, 21 (6): 873–898.

Kelly, J. (2001). The Role of the Personnel/HR Function in Multinational Companies. *Employee Relations*, 23 (6): 536–557.

Kiggundu, M. (1989). *Managing Organisations in Developing Countries: An Operational and Strategic Approach*. Bloomfield, CT: Kumarian Press.

Kim, J. and Mahoney, T. (2005). Property Rights Theory, Transaction Costs Theory, and Agency Theory: An Organizational Economics Approach to Strategic Management. *Managerial and Decision Economics*, 26: 223–242

Kim, K., Park, J-H., and Prescott, J. E. (2003). The global integration of business functions: A study of multinational businesses in integrated global industries. *Journal of International Business Studies*, 34: 327–344.

Kluckhohn, C. (1951). 'Values and value orientations in the theory of action', in Parson, T. and Shils, E.A. (Eds.), *Towards a General Theory of Action*. Cambridge, MA: Harvard University.

Kluckhohn, F. and Strodtbeck, F. (1961). *Variations in Value Orientations*. New York: Row, Peterson and Company.

Kobrin, S.J. (1988). Expatriate Reduction and Strategic Control in American Multinational Corporations. *Human Resource Management*, 27: 63–75.

Koch, M.J. and McGrath, R. G. (1996). Improving Labor Productivity: Human Resource Management Policies do Matter. *Strategic Management Journal*, 17: 335-354.

Komolafe, F. (2013). Has History been the Best for Nigerian Labour Congress? *Vanguard*, 4 July 2013, p. 54.

Kostova, T. (1997). Country Institutional Profiles: Concept and Measurement. *Academy of Management Best Paper Proceedings*, 180–189.

Kostova, T. (1999). Transnational Transfer of Strategic Organizational Practices: A Conceptual Perspective. *Academy of Management Review*, 24 (2): 308–324.

Kostova, T. and Roth, K. (2002). Adoption of an organizational practice by subsidiaries of multinational corporations: Institutional and relational effects. *Academy of Management Journal*, 45: 215–233.

Kostova, T., Roth, K., and Dacin, T. (2008). Institutional Theory in the Study of Multinational Corporations: a Critique and New Direction. *Academy of Management Review*, 33 (4): 994–1006.

Krefting, L. (1991). Rigor in qualitative research: The assessment of trustworthiness. *The American Journal of Occupational Therapy*. 43 (3): 214-222.

Kudina, A. and Pitelis, C. (2014). De-industrialization, comparative economic performance and FDI inflows in emerging economies. *International Business Review*, 3: 1-10.

- Kumar, K. and McLeod, M.G. (1981). *Multinationals from Developing Countries*. Lexington, MA: D.C. Heath.
- Lado, A. and Wilson, M. (1994). 'Human resource systems and sustained competitive advantage: A competency-based perspective. *Academy of Management Review*, 19: 699-727.
- Laurent, A. (1983). "The Cultural Diversity of Western Conceptions of Management", *International Studies of Management & Organisation*, 13 (1/2): 75-96.
- Laurent, A. (1986). The cross-cultural puzzle of international human resource management. *International Studies of Management and Organization*, 13 (1-2): 5-96.
- Lauring, J. (2008). Rethinking Social Identity Theory in International Encounters: Language Use as a Negotiated Object for Identity Making. *International Journal of Cross Cultural Management*, 8 (3): 343- 361.
- Lawler, E.E. and Mohrman, S.A. (2003). HR as a Strategic Partner: What Does It Take to Make It Happen? *Human Resource Planning*, 26 (3): 15–29.
- Lebas, W. and Weigenstein, J. (1986). Management Control: The Roles of Rules, Market and Culture. *Journal of Management Studies*, 23 (3): 259–272.
- Legewie, J. (2002). Control and Co-ordination of Japanese Subsidiaries in China: Problems of an Expatriate-based Management System. *The International Journal of Human Resource Management*, 13 (6): 901–919.
- Legge, K. (1978). *Power, innovation and problem-solving in personnel management*, London: McGraw-Hill.
- Leininger, M. (1994). 'Evaluation criteria and critique of qualitative research studies', in Morse, J. (Ed.), *Critical Issues in Qualitative Research Methods*. Thousand Oaks, CA: Sage
- Lengnick-Hall, M.L. and Lengnick-Hall, C.A. (2003). *Human Resource Management in the knowledge economy*. San Fransisco: Berrett-Koehler
- Leonard-Barton, D. (1990). A dual methodology for case studies: synergistic use of a longitudinal single site with replicated multiple sites. *Organization Science*, 1 (3): 248-266.
- Lepak, D., & Snell, S. (1999). The human resource architecture: toward a theory of human capital allocation and development. *Academy of Management Review*, 24(1), 31-48.
- Lincoln, J.R., Kerbo, H.R., and Wittenhagen, E. (1995). Japanese Companies in Germany: A Case Study in Cross-Cultural Management. *Industrial Relations*, 34 (3): 417–40.
- Lincoln, Y.S. and Guba, E.G. (1985). *Naturalistic inquiry*. Newbury Park, CA: Sage.

Lindholm, N. (1999) Performance Management in MNC Subsidiaries in China: A Study of Host-country Managers and Professionals. *Asia Pacific Journal of Human Resources*, 37: 18–35.

London: Routledge, pp. 1 - 23.

Lu, Y. and Björkman, I. (1997). HRM Practices in China-Western Joint Ventures: MNC Standardisation versus Localisation. *The International Journal of Human Resource Management*, 8 (5): 614-628.

Lu, Y. and Björkman, I. (1998). Human Resource Management in International Joint Ventures in China. *Journal of General Management*, 23 (4): 63-79.

Luo, Y., and Tung, R. L. (2007). International expansion of emerging market enterprises: A springboard perspective. *Journal of International Business Studies*, 38: 481–498.

Macnee, L.C. and McCabe, S. (2008). *Understanding nursing research: Using research evidence-based practice*. Philadelphia, PA: Lippincott Williams & Wilkins.

Mamman, A., Baydoun, N., and Asumah, B. (2009). Transferability of Management Innovation to Africa: A Study of Two Multinational Companies' Performance Management System in Nigeria. *Global Business Review*, 10 (1): 1–31.

Marginson, P. (1992). European Intégration and Transnational management - union relations in the enterprise. *British Journal of Industrial Relations*. 30 (4): 592-545.

Marginson, P., Edwards, P.K., Armstrong, P., and Purcell, J. (1994/95). Strategy, structure and control in changing corporations: a survey-based investigation. *Human Resource Management Journal*, 5 (2): 3-27.

Marketline, (2013). Country Profile Series Nigeria In-depth PEST insights. *Marketline*, 1: 1-30.

Martin, G. (2012). *Managing People and Organizations in Changing Contexts*. London: Routledge.

Martin, G. and Woldring, K. (2001). Ready for theMantle? Australian Human Resources Managers as Stewards of Ethics. *International Journal of Human Resources Management*, 12 (2): 243–255.

Martinez, J.I. and Jarillo, J.C. (1991). Coordination Demands of International Strategies. *Journal of International Business Studies*, 20 (3): 429–444.

Maykut, P. and Morehouse, R. (1994). *Beginning Qualitative Research: A Philosophic and Practical Guide*. London: Routledge.

McKinsey & Company (2014). *Nigeria's renewal: Delivering inclusive growth in Africa's largest economy*. (July 2014): McKinsey & Company.

- Mellahi, K., Frynas, G., Sun, P. and Siegel, D. (2015) "A review of the nonmarket strategy literature : toward a multi-theoretical integration", *Journal of Management*, 42, 1, 143-173
- Meyer, K. and Thaijongrak, O. (2013). The dynamics of emerging economy MNEs: How the internationalization process model can guide future research. *Asia Pacific Journal of Management*, 30 (4): 1125-1153.
- Miles, M. (1979). Qualitative data as attractive nuisance: the problem of analysis. *Administrative Science Quarterly*, 24: 590-601.
- Miles, M.B. Huberman, A.M. (1994). *Qualitative Data Analysis: An Expanded Sourcebook*. (2nd edn.). Thousand Oaks, CA: Sage.
- Mjoen, H. and Tallman, S. (1997). Control and Performance in International Joint Ventures. *Organization Science*, 8: 257–274.
- Monks, K. (1992). Models of personnel management: a means of understanding the diversity of personnel practices? *Human Resource Management Journal* 3 (2): 29-41.
- Moore, F. (2006). Strategy, Power and Negotiation: Social Control and Expatriate Managers in a German Multinational Corporation. *International Journal of Human Resource Management*, 17 (3): 399-413.
- Morgan, G. (2007). National business systems approach: Progress and prospects. *Scandinavian Journal of Management*, 23: 127-145. doi 10.1016/j.scaman.2007.02.008.
- Morley, M.J. and Collings, D.G. (2004). Contemporary debates and new directions in HRM in MNCs: introduction. *International Journal of Manpower*, 25 (6): 487-499.
- Mowday, R. and Sutton, R. (1993). Organizational Behavior: Linking Individuals and Groups to Organizational Contexts. *Annual Review of Psychology*, 44, 195–229.
- MSCI (2012). MSCI Barra Index. Retrieved from <http://www.msci.com/products/indices/>. Accessed 12-09-2016].
- Muller-Camen, M., Almond, P., Gunnigle, P., Quintanilla, J., and Tempel, A. (2001). Between Home and Host Country: Multinationals and Employment Relations in Europe. *Industrial Relations Journal*, 32 (5): 435–448.
- Myloni, B., Harzing, A.K., and Mirza, H. (2004). Host Country Specific Factors and the Transfer of Human Resource Management Practices in Multinational Companies. *International Journal of Manpower*, 25 (6): 518-534.
- Napier, N.K. and Vu, V.T. (1998). International human resource management in developing and transitional economies economy countries: a breed apart? *Human Resource Management Review*, 8 (1): 39-77.

Nardon, L. and Steers, R.A. (2009). 'The Culture Theory Jungle: Divergence and Convergence in Models of National Culture', in Bhagat, R.S. and Steers, R.M (Eds.), *Cambridge Handbook of Culture, Organizations and Work*. UK: Cambridge University Press.

National Bureau of Statistics (2015) General Household Survey. Abuja: National Bureau of Statistics, Federal Republic of Nigeria.

Newbert, S.L. (2008). Value, Rareness, Competitive Advantage, and Performance: A Conceptual-Level Empirical Investigation of the Resource-Based View of the Firm. *Journal Strategic Management*, 29: 745–768.

Newenham-Kahindi, A., Kamoche, K., Chizema, A., and Mellahi, K. (2013). *Effective People Management in Africa*. London: Palgrave-MacMillan.

Ngo, H., Turben, D., Lau, C., and Lui, S. (1998). Human resource practices and firm performance of multinational corporations: influence of country of origin. *International Journal of Human Resource Management*, 9 (4): 632–652.

Nigerian Communications Commission (2013). *Determination of market Dominance in Selected Communication Markets in Nigeria*, viewed 13 August 2014, http://www.ncc.gov.ng/index.php?option=com_docman&task=doc_download&gid=365&Itemid

Nohria, N. and Ghoshal, S. (1997). *The Differentiated Network, Organizing Multinational Corporations for Value Creation*. San Francisco, CA: Jossey-Bass.

North, D.C. (1990). *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press.

Novicevic, M.M. and Harvey, M. (2001). The changing role of the corporate HR function in global organizations of the twenty-first century. *International Journal of Human Resource Management*, 12 (6): 1251–1268.

Nzelibe, L.O. (1986). The Evolution of African Management Thought. *International Studies of Management and Organization*, 6: 6–16.

O'Donnell, S. (2000). Managing Foreign Subsidiaries: Agents of Headquarters, or an Interdependent Network? *Strategic Management Journal*, 21: 525–548

O'Reilly, C. and Chatman, J. (1996). 'Culture as social control: Corporations, cults, and commitment', in Shaw, B., & Cummings, L. (Eds.), *Research in organizational behavior* (Vol. 18). Greenwich, CT: JAI Press, pp.157–200.

Ohmae, K. (1990). *The borderless world: Power & strategy in the interlinked economy*. London: Collins.

Oliver, C. (1991). Strategic Responses to Institutional Process. *Academy of Management Review*, 16 (1): 145–179.

Oliver, N. and Wilkinson, B. (1994). 'Japanese manufacturing techniques and personnel and industrial relations practices in Britain: evidence and implications', in P. Enderwick & J.H. Dunning (Eds.), *Transnational corporations and human resources*. London: Routledge, pp. 331-350.

Onyemelukwe, C.C. (1973). *Men and Management in Contemporary Africa*. London: Longman.

Osterman, P.O. (1984). *Internal Labor Markets*. Cambridge, MA: London.

Ouchi, W. (1979). 'A Conceptual Framework for the Design of Organizational Control Mechanisms,' *Management Science*, 25(9):833–848.

Ouchi, W. (1980). 'Markets, Bureaucracies and Clans,' *Administrative Science Quarterly*, 25, March, 86–107.

Ouchi, W. and Maguire, M.A. (1975). 'Organizational Control: Two Functions,' *Administrative Science Quarterly*, 20: 559–569.

Overdijk F, Ankomah A (2001). "Human resource management in Nigeria", in P. Budhwar and Y. Debrah (eds) *Human Resource Management in Developing Countries*. New York: Routledge, pp. 174 - 189.

Oxford Business Group (2016). *The Report: Nigeria 2015: Telecoms & IT*. (Online) Available from: <http://www.oxfordbusinessgroup.com/nigeria-2015/telecoms-it> (Accessed: 8th September, 2016).

Oyedele, O.A. (2013). *Project Financing for Sustainable Development of Nigerian Cities*. Abuja: FIG Commission Working Week Environment for Sustainability.

Paaauwe, J. (2009). HRM performance: achievements, methodological issues and prospects. *Journal of Management Studies*, 46(1), 129-142.

Paik, Y. and Sohn, J.D. (2004). Expatriate Managers and MNC's Ability to Control International Subsidiaries: The Case of Japanese MNC. *Journal of World Business*, 39 (1): 61-71.

Paik, Y., Vance, C.M., and Stage, D.H. (1996). The Extent of Divergence in Human Resource Practice across Three Chinese National Cultures: Hong Kong, Taiwan and Singapore. *Human Resource Management Journal*, 6 (2): 20-5.

Parry, E., Dickmann, M., and Morley, M. (2008). North American MNCs and Their HR Policies in Liberal and Coordinated Market Economies. *International Journal of Human Resource Management*, 19 (11): 2024–2040.

Parsons, T. and Shills, E.A. (1951). *Toward a General Theory of Action*. Cambridge, MA: Harvard University Press.

- Peng, M.W. (2000). *Business strategies in transition economies*. Thousand Oaks, CA: Sage.
- Peng, M.W. (2002). 'Cultures, institutions, and strategic choices: Toward an institutional perspective on business strategy' in M. Gannon and K. Newman (Eds.), *Blackwell handbook of cross-cultural management*. Boston, MA: Blackwell, pp. 52–66.
- Perlmutter, H. (1969). The tortuous evolution of the multi-national company. *Columbia Journal of World Business*, 4: 9-18.
- Perry, C., Riege, A., and Brown, L. (1999). Realism's role among scientific paradigms in marketing research. *Irish Marketing Review*, 12 (2): 16-22.
- Pfeffer, J. (1994). *Competitive Advantage through People: Unleashing the Power of the Work Force*. Boston, MA: Harvard Business Press.
- Pfeffer, J. and Cohen, Y. (1984). Determinants of Internal labor markets in organizations. *Administrative Scientific Quarterly Journal*, 29: 550-72
- Pfeffer, J. and Salancik, G.R. (1978). *The external control of organizations: A resource dependence perspective*. New York: Harper & Row.
- Pillania, R. (2009). Multinationals and emerging markets. *Business Strategy Series*, 10 (2): 100–103.
- Podsakoff, P., MacKenzie, S., Paine, J., and Bachrach, D. (2000). Organizational Citizenship Behaviors: A Critical Review of the Theoretical and Empirical Literature and Suggestions for Future Research. *Journal of Management*, 26 (3): 513-563.
- Polit, D.F., Tatano Beck, C., and Hungler, B.P. (2001). *Essentials of Nursing Research: Methods, Appraisal, and Utilization*. (5th edn.). Philadelphia, PA: Lippincott, Williams and Wilkins.
- Porter, M.E. (1986). 'Competition in global industries: a conceptual framework', in M.E. Porter (Ed.), *Competition in global industries*. Boston, MA: Harvard Business School Press, pp. 15-60.
- Prah, K. (2004). 'African Wars and Ethnic Conflicts: Rebuilding Failed States'. *Human Development Report 2004*. African Regional Background paper. UNDP.
- Prahalad, C.K. and Doz, Y. (1987). *The Multinational Mission: Balancing Global Demands and Global Vision*. New York: Free Press.
- Prasad, P. (2005). *Crafting qualitative research: working in the post-positivist traditions*. Armonk, NY: M.E. Sharpe. Available at: <http://www.loc.gov/catdir/toc/ecip053/2004023624.html>

- Price, A. (2004). *Human Resource Management in Business Context*. London: Oxford Press.
- Pucik, V., Tichy, N.M., and Barnett, C.K. (1992). *Globalising Management*. New York: Wiley.
- Pudelko, M. and Harzing, A-W.K. (2007) Country-of-origin, localization, or dominance effect? An empirical investigation of HRM practices in foreign subsidiaries, *Human Resource Management*, 46 (4) (2007), pp. 535–559
- Purcell, J. and Ahlstrand, B. (1994). *Human resource management in the multi-divisional company*. New York: Oxford University Press.
- Ramamurti, R., and Singh, J. V. (2009). Indian multinationals: Generic internationalization strategies In R. Ramamurti & J. V. Singhs (Eds.), *Emerging multinationals from emerging markets*. Cambridge: Cambridge University Press, pp. 339-343.
- Reiche, B.S. and Harzing, A.W. (2011). 'International Assignments', in, Harzing, A. W. and Pinnington, A. (Eds.), *International Human Resource Management*, (3rd edn.). London: Sage.
- Richey, B. and Wally, S. (1998). Strategic human resource strategies for transnationals in Europe..., *Human Resource Management Review*, 8 (1): 79-97.
- Robson, C. (1993). *Real world research: a resource for social scientists and practitioner-researchers*. Oxford: Blackwell.
- Robson, C. (2002). *Real World Research: A Resource for Social Scientists and Practitioner-Researcher*. (2nd edn.). London: Wiley-Blackwell.
- Rosenzweig, P. and Nohria, N. (1994). Influences of human resource management practices in multinational firms. *Journal of International Business Studies*, 20 (2): 229–252.
- Rosenzweig, P.M. and Singh, J.V. (1991). Organizational Environments and the Multinational Enterprise. *Academy of Management Review*, 16: 340–360.
- Rossman, G. and Rallis, S.F. (2012). *Learning in the field: An introduction to qualitative research*. (3rd edn.). Thousand Oaks, CA: Sage.
- Roth, A.E., Prasnikar, V., Okuno-Fujiware, M., and Zamir, S. (1991). Bargaining and Market Behavior in Jerusalem, Ljubljana, Pittsburgh and Tokyo: An Experimental Study. *American Economic Review*, 81: 1068–1095.
- Rowden, R.W. (1999). Potential Roles of the Human Resource Management Professional in the Strategic Planning Process... S.A.M. *Advanced Management Journal*, 64 (3), 22–27.
- Rowley C, Bae J (2002). "Globalization and transformation of human resource management in South Korea". *International Journal of Human Resource Management*, 13(3): 522 - 549.

Rucci, J.A. (2009). 'The Pursuit of HR's Core Purpose: The Practical Doing of Strategic HRM', in J. Storey, P.M. Wright, and D. Ulrich (Eds.), *The Routledge Companion to Strategic Human Resource Management*. London: Routledge, pp. 137–148.

Ryan, A.M., McFarland, L., Baron, H., and Page, R. (1999). An International Look at Selection Practices: Nation and Culture as Explanations for Variability in Practice. *Personnel Psychology*, 52: 359-90.

Sakr, M. and Jordaan, A. (2016). "Emerging multinational corporations: Theoretical and conceptual framework", Working Papers 574, South Africa: Economic Research Southern Africa.

Sandberg, S. (2012). Internationalization processes of small and medium enterprises: entering and taking over from emerging markets. Linnaeus University Dissertations No.78/2012. Linnaeus University Press.

Saunders, M., Lewis, P., and Thornhill, A. (2009). *Research methods for business students*. (5th edn.). Harlow, UK: Pearson Education.

Schell, M. and Solomon, C. (1997). *Capitalizing on the Global Workforce: A Strategic Guide to Expatriate Management*. New York: McGraw-Hill.

Schmidt, R. (1993). Awareness and second language acquisition. *Annual Review of Applied Linguistics*, 13: 206-226.

Schmitt, M. and Sadowski, D. (2003). A cost-minimisation approach to the international transfer of HRM/IR practices: Anglo-Saxon multinationals in the Federal Republic of Germany. *International Journal of Human Resource Management*, 14 (3): 409–430.

Schneider, S.C. (1988). National vs. corporate culture: implications for Human Resource Management. *Human Resource Management*, 27 (2): 231-245.

Schuler, R. and Jackson, S. (1987). Linking competitive strategies and human resource management practices. *Academy of Management Executive*, 1 (3): 207-219.

Schuler, R. and Jackson, S. (1999). *Strategic Human Resource Management*. Oxford: Blackwell.

Schuler, R., Dowling, P., and De Cieri, H. (1993). An integrative framework of strategic international human resource management. *International Journal of Human Resource Management*, 4 (4): 717–764.

Schuler, R.S. and Tarique, I. (2007). International human resource management: a North American perspective. *International Journal of Human Resource Management*, 18 (5): 717–744.

- Schwandt, T.A., Lincoln, Y.S. and Guba, E.G. (2007). Judging interpretations: But is it rigorous? trustworthiness and authenticity in naturalistic evaluation. *New Directions for Evaluation* (114), 11-25. doi: 10.1002/ev.223.
- Schwartz, S.H. (1992). 'Universals in the Content and Structure of Values: Theoretical Advances and Empirical Tests in 20 Countries', in M. Zanna (Ed.), *Advances in Experimental Social Psychology*. Orlando, FL: Academic, 25: 1-65
- Schwartz, S.H. (1994). *Beyond Individualism/Collectivism: Theory, Methods and Applications*. Thousand Oaks, CA: Sage, 85-122.
- Scott, W.R. (1995). *Institutions and Organizations*. Thousand Oaks, CA: Sage.
- Scott, W.R. and Davis, G.F. (2007). *Organizations and organizing: Rational, natural, and open systems perspectives*. Upper Saddle River, NJ: Prentice Hall.
- Scullion, H. (1994). 'Staffing Policies and Strategic Control in British Multinationals,' *International Studies of Management and Organization*, 24 (3): 541–554.
- Scullion, H. and Starkey, K. (2000). In search of the changing role of the corporate human resource function in the international firm. *International Journal of Human Resource Management*, 11 (6): 1061-81.
- Shanikat, M. (2007). Understanding organizational change in the privatized enterprise: case study of Jordon telecom. *Estonian Business School Review*, 1: 42–58.
- Shen, J. and Edwards, V. (2006). *International human resource management in Chinese multinationals*. London: Routledge.
- Shih, F.J. (1998). Triangulation in nursing research: issues of conceptual clarity and purpose. *Journal of Advanced Nursing*, 28 (3): 631-641.
- Silva, N. (2010). *The influence of knowledge transfer and cultural factors in initiatives of Brazilian multinational subsidiaries*. Unpublished Phd thesis – School of Business Administration, Economics and Accounting, University of São Paulo, São Paulo, SP, Brazil.
- Simpkins, P.A. (2005). *Human Resources Management Roles in the Public Versus Private Sectors*. PhD thesis, H. Wayne Huizenga School of Business and Entrepreneurship, Nova Southeastern University, USA.
- Sippola, M. (2009). The Two Faces of Nordic Management? Nordic Firms and Their Employee Relations in the Baltic States. *International Journal of Human Resource Management*, 20 (8): 1929–1944.
- Sood, J. and Mroczkowski, T. (1994). Human Resource Management Challenges in Polish Private Enterprise. *International Studies of Management and Organization*, 24 (4): 48.

Sorge, A. (2004). 'Cross-national differences in human resources and organization', in A.W. Harzing and J.V. Ruysseveldt (Eds.), *International Human Resource Management*. (2nd edn.). London: Sage, pp. 117-140.

Spanos, Y.E. and Lioukas, S. (2001). An examination into the causal logic of rent generation: contrasting Porter's competitive strategy framework and the resource-based perspective. *Strategic Management Journal*, 22 (10): 907-934.

Sparrow, P., Harris, H., and Brewster, C. (2003). *Towards a new model of globalizing HRM*. 7th Conference on International Human Resource Management, University of Limerick, Ireland.

Sparrow, P.R. (2007). Globalization of HR at function level: Four UK-based case studies of the international recruitment and selection process. *International Journal of Human Resource Management*, 18 (4): 144–166.

Stake, R. (1995). *The Art of Case Study Research*. Thousand Oaks, CA: Sage.

Stopford, J. and Wells, L. (1972). *Managing the Multinational Enterprise: Organization of the Firm and Ownership of the Subsidiaries*, New York: Basic Books.

Storey, J. (1992). *Developments in Human Resource Management*. Oxford: Blackwell.

Storey, J. (1995). 'Human Resource Management: Still Marching On or Marching Out?', in Storey, J. (Ed.), *Human Resource Management: A Critical Text*. London: Routledge, pp. 3-32.

Storey, J. (2001). *Human Resource Management: A Critical Text*. London: Routledge.

Strauss, A. and Corbin, J. (1998). *Basics of Qualitative Research*. Thousand Oaks, CA: Sage.

Sumelius, J., Smale, A., and Björkman, I. (2009). The Strategic Role of HR in MNC Subsidiaries in China between 1999 and 2006. *Chinese Management Studies*, 3 (4): 295–312.

Szulanski, G. (1996). Exploring Internal Stickiness: Impediments to the Transfer of Best Practice Within the Firm. *Strategic Management Journal*, 17: 27–43.

Taiwo, C.O. (1980). *The Nigerian Education System: Past, Present and Future*. Lagos: Thomas Nelson.

Tanure, B., & Duarte, R. (2005). Leveraging competitiveness upon national cultural traits: the management of people in Brazilian companies. *The International Journal of Human Resource Management*, 16(12), 2201-2217

- Tayeb, M.H. (1998). Transfer of HRM Policies and Practices across Cultures: An American Company in Scotland. *International Journal of Human Resource Management*, 9 (2): 332-358.
- Tayeb, M.H. (2005). *International Human Resource Management: A Multinational Company Perspective*. Oxford: Oxford University Press.
- Taylor, S. Beechler, S., and Napier, N. (1996). Toward an integrative model of strategic international human resource management. *Academy of Management Review*, 21 (4): 959-85.
- Teagarden, M.B. and Von Glinow, M.A. (1997). Human Resource Management in Cross Cultural Contexts: Emic Practices versus Etic Philosophies. *Management International Review*, 37 (1): 7-20.
- Teddlie, C. and Tashakkori, A. (2009). *Foundations of Mixed Methods Research*. Thousand Oaks, CA: Sage.
- Tessema, M.T. and Soeters, J.L. (2006). Challenges and Prospects of HRM in Developing Countries: Testing the HRM-Performance Link in the Eritrean Civil Service. *International Journal of HRM*, 17 (1): 86-105.
- The Economist (2008). *The challengers: A new breed of multinational company has emerged* [Online] 10/01/2008. Available at: <http://www.economist.com/node/10496684> [Accessed 15-02-2016]
- This Day Live (2016). 'Finally, NCC, MTN Reach Truce as Fine is Reduced to N330bn'. June 11, 2016. <http://www.thisdaylive.com/index.php/2016/06/11/finally-ncc-mtn-reach-truce-as-fine-is-reduced-to-n330bn-2/> [Accessed 15-08-2016]
- Thite, M., Wilkinson, A., and Shah, D. (2012). Internationalization & HRM strategies across subsidiaries in multinational corporations from emerging economies—A conceptual framework. *Journal of World Business*, 47: 251-258.
- Thompson, J. (1967) *Organization in Action*, McGraw-Hill: New York.
- Thong, G.T.S. (1991). 'Foundations of Human Resources Management Practice in Japanese Companies in Malaysia, in S. Yamashita (Ed.), *Transfer of Japanese Technology and Management to the ASEAN Countries*. University of Tokyo Press, Tokyo, pp.135-152.
- Tobin, G.A. and Begley, C.M. (2004). Methodological rigour within a qualitative framework. *Journal of Advanced Nursing*, 48 (4): 388-396. doi: 10.1111/j.1365-2648.2004.03207.x.
- Triandis, H.C. (1984). Toward a Psychological Theory of Economic Growth. *International Journal of Psychology*, 19: 79-95.

- Trochim, W. (2000). *The research methods knowledge base*. Retrieved from Social Research Methods: <http://www.socialresearchmethods.net/kb/>
- Trochim, W. (2003). *The Research Methods Knowledge Base*. (2nd edn.). Cincinnati, OH: Atomic Dog Publishing.
- Truss, C., Gratton, L., Hope-Hailey, V., Stiles, P., and Zaleska, J. (2002). Paying the Piper: Choice and Constraint in Changing HR Functional Roles. *Human Resource Management Journal*, 12 (2): 39–63.
- Turner, B.A. (1981). Some practical aspects of qualitative data analysis: one way of organising the cognitive processes associated with the generation of grounded theory. *Quality and Quantity*, 15: 225-47.
- Tyson, S. and Fell, A. (1986). *Evaluating the personnel function*. London: Hutchinson.
- Ulrich, D. (1997). *Human Resource Champions*. Boston, MA: Harvard Business School Press.
- Ulrich, D. (1998). A New Mandate for HR. *Harvard Business Review*, 76 (Jan–Feb): 124–134.
- Ulrich, D. and Barney, J.B. (1984). Perspectives in organizations: Resource dependence, efficiency, and population. *Academy of Management Review*, 9: 471-481.
- Ulrich, D. and Brockbank, W. (2005). *The HR Value Proposition*, Boston, MA: Harvard Business School Press.
- Ulrich, D. and Lake, D. (1990). *Organizational Capability: Competing from the Inside Out*. UK: Wiley.
- Ulrich, D. and Losey, M. (1997). *Tomorrow's HR Management*. New York: Wiley.
- Ulrich, D. and Smallwood, N. (2007). *Leadership brand: Developing customer-focused leaders to drive performance and build lasting value*. Boston, MA: Harvard Business School Press.
- Ulrich, D., Younger, J., and Brockbank, W. (2009). 'The Next Evolution of the HR Organization,' in J. Storey, P.M. Wright, and D. Ulrich (Eds.), *The Routledge Companion to Strategic Human Resource Management*. London: Routledge, pp. 182–204.
- UNCTAD (2004). I. New York: United Nations: United Nations Conference on Trade and Development.
- UNCTAD (2008). I. New York: United Nations: United Nations Conference on Trade and Development.

UNCTAD (2010). I. New York: United Nations: United Nations Conference on Trade and Development.

UNESCO Institute for Statistics (2014). *Global Education Digest*. Available at: <http://www.uis.unesco.org/Education/Pages/global-education-digest.aspx>

United Nations Conference for Trade and Development. (2012). Trade and development report: Policies for Inclusive and Balanced Growth. Geneva, Switzerland

United Nations Conference on Trade and Development (UNCTAD). (2006). World investment report. Geneva, Switzerland: Author.

Vachani, S. (1995). Enhancing the Obsolescing Bargain Theory: A Longitudinal Study of Foreign Ownership of US and European Multinationals. *Journal of International Business Studies*, 26: 159–180.

Van de Ven, A.H., Delbecq, A.L., and Koenig, R., Jr. (1976). Determinants of coordination modes within organizations. *American Sociological Review*, 41: 322–333.

Vosburgh, R.M. (2008). The Evolution of HR: Developing HR as an Internal Consulting Organisation. *Human Resources Planning*, 30 (3): 11–23.

Wang, C.Y.P., Jaw, B.S., and Huang, C.Y. (2008). Towards a Cross Cultural Framework of Strategic International Human Resource Control: The Case of Taiwanese High-Tech Subsidiaries in the USA. *International Journal of Human Resource Management*, 19 (7): 1253-1277.

Warner, M. (2011a). Whither Japan? Economy, management and society. *Asia Pacific Business Review*, 17: 1–5.

Warner, M. (2011b). Management in China: systems reform, human resources and emergent globalization. *Human Systems Management*, 30 (1/2),:1–9.

Warner, M. and Rowley, C. (2010). Chinese management at the crossroads. *Asia Pacific Business Review*, 16 (3): 273–284.

Wasti, S. A. (1998). Cultural barriers in the transferability of Japanese and American human resources practices to developing countries: the Turkish case. *International Journal of Human Resource Management*, 9 (4), 608-630.

Welch, D. (1994). Determinants of International Human Resource Management Approaches and Activities: A Suggested Framework. *Journal of Management Studies*. 31 (2): 139-164.

Wells, L.T. (1983). *Third World Multinationals: The Rise of Foreign Investment from Developing Countries*. Cambridge, MA: MIT Press.

Westney, D.E. (1990). 'Internal and external linkages in the MNC: The case of R&D subsidiaries in Japan', in C. Bartlett, Y. Doz, and G. Hedlund (Eds.), *Managing the global firm*. London & New York: Routledge, 279-300.

Wharton University (2013). *Emerging market MNCs* [Online] Available at: <http://knowledge.wharton.upenn.edu/article/emerging-market-multinationals-new-giants-on-the-block/> [Accessed 16-02-2016]

Whitley, R. (1999). *Divergent Capitalisms: The Social Structuring and Change of Business Systems*. Oxford: Oxford University Press.

Whittaker, S. and Marchington, M. (2003). Devolving HR Responsibility to the Line: Threat, Opportunity or Partnership? *Employee Relations*, 25 (3): 245–261.

Wiley, C. (1992). A Comprehensive View of Roles for Human Resource Managers in Industry Today. *Industrial Management*, 34 (6): 27-29.

Wilkinson, A., Bacon, N., Redman, T., and Snell, S. (2010). *Handbook of HRM*. London: Sage.

Williamson, P., Ramamurti, R., Fleury, A., and Fleury, M. (2013). *The competitive advantage of emerging market multinationals*. Cambridge: Cambridge University Press.

'Wireless Telecommunication Services Industry Profile: Nigeria' 2016, *Wireless Telecommunication Services Industry Profile: Nigeria*, pp. 1-38.

Wolf, J. (1997). From 'starworks' to networks and heterarchies? *Management International Review*, Special Issue, 37(1), 145-169.

Wood, G (2015). "South African multinationals in Africa: growth and controversy", in multinationals. In M. Demirbag, & A. Yaprak (Eds.), *Handbook of emerging market MNEs*. Cheltenham, UK: Edward Elgar.

Wood, M. and Ross-Keer, J. (2011). *Basic Steps in Planning Nursing Research: From Question to Proposal*. (7th edn.). London: Jones & Bartlett.

World Bank Group (2016) *Global Economic Prospects: Divergences and Risks*. (Online) Available from: <http://www.worldbank.org/en/publication/global-economic-prospects> (Accessed: 9th September, 2016).

Wright, M., Filatotchev, I., Hoskisson, R.E., and Peng, M.W. (2005). Guest editors' introduction, strategy research in emerging economies: Challenging the conventional wisdom. *Journal of Management Studies*, 42 (1): 1–33.

Wright, P. Boswell, W. (2002) 'Desegregating HRM: A Review and Synthesis of Micro and Macro Human Resource Management Research' *Journal of Management*, Vol. 28, No. 3, 247-276.

- Wright, P.M. and McMahan, G. (1992). Theoretical perspectives for strategic human resource management. *Journal of Management*, 18: 295-320.
- Wright, P.M. and Nishii, L.H. (2007). Strategic HRM and organizational behavior: Integrating multiple levels of analysis. In Guest, D., Paauwe, J., & Wright, P. (eds.) *Human Resource Management and Performance: Progress and Prospects*, Blackwell Publishing.
- Wright, P.M., Gardner, T., Moynihan, L.M., and Allen, M. (2005). The HR performance relationship: Examining causal direction. *Personnel Psychology*, 58: 409-446.
- Wright, P.M., McMahan, G.C., Snell, S.A., and Gerhart, B. (2001). Comparing Line and HR Executives' Perceptions of HR Effectiveness: Services, Roles, and Contributions. *Human Resource Management Journal*, 40 (2): 111–123.
- Wright, P.M., Snell, S.A., and Dyer, L. (2005). New models of strategic HRM in global context. *The International Journal of Human Resource Management*, 16 (6): 875–881.
- Xavier, C. and Marginson, P. (1998). Transnational management influence over changing employment practice: A case from the food industry. *Industrial Relations Journal*, 29 (1): 4-17.
- Xu, D. and Shenkar, O. (2002). Institutional Distance and Multinational Enterprise. *Academy of Management Review*, 27 (4): 608–618.
- Yeh, R.S. (1991). Management practices of Taiwanese firms: as compared to those of American and Japanese subsidiaries in Taiwan. *Asia Pacific Journal of Management*, 8 (1): 1-14.
- Yeung, H.W. (1999). The Internationalization of Ethnic Chinese Business Firms from Southeast Asia: Strategies, Processes and Competitive Advantages. *International Journal of Urban and Regional Research*, 23 (1): 1–54.
- Yin, R. (2003). *Application of Case Study Research* (2nd edn.). London: Sage.
- Yin, R. (2009). *Case study research: Design and methods* (4th edn.). London: Sage.
- Yin, R.K. (1984). *Case study research: design and methods*. London: Sage.
- Youndt, M.A. and Snell, S.A. (2001). 'Human resource management, intellectual capital, and organizational performance', Working Paper, Skidmore College.
- Young, S., Hood, N., and Hamill, J. (1985). 'Decision-making in foreign owned multinational subsidiaries in the United Kingdom', ILO Working Paper. 35. Geneva: International Labour Organization.
- Zaheer, S. (1995). Overcoming the Liability of Foreignness. *Academy of Management Journal*, 38 (2): 341–363.

- Zakaria, N., Abu Talib, A., Osman, N. (2016). *Handbook of research on impacts of international business and political affairs on the global economy*. USA: IGI Global.
- Zhang, A.Y., Tsui, A.S., Song, L.J., Li, C., and Jia, L. (2008). How do I trust thee? The employee-organization relationship, supervisory support, and middle manager trust in the organization. *Human Resource Management*, 47 (1): 111–132.
- Zheng, C. (2013). Critiques and extension of strategic international human resource management framework for dragon multinationals. *Asia Pacific business review*, 19 (1): 1-15.
- Zhu, C.J. and Dowling, P.J. (2002). Staffing practices in transition: Some empirical evidence from China. *International Journal of Human Resource Management*, 13: 569–597.
- Zhu, J. S., Zhu, C. J., and De Cieri, H. (2014). Chinese MNCs' preparation for host-country labor relations: An exploration of country-of-origin effect. *Human Resource Management*, Advance online publication. doi: 10.1002/hrm.21613.
- Zhu, Y., Chen, I., and Warner, M. (2001). HRM in Taiwan: An Empirical Case Study. *Human Resource Management Journal*, 10 (4): 32–44.
- Zhu, Y., Warner, M., and Wei, Z. (2011). Economic reform, ownership change and HRM in formerly state-owned enterprises in the People's Republic of China: a case-study approach. *Human Systems Management*, 30 (1–2): 11–22.
- Zikmund, W.G. (2000). *Business research methods*. (6th edn.). Orlando, FL: The Dryden Press.

Appendix A: Interview Protocol

Research Project: The Transfer of HR Practices of Four Multinational Companies to their Subsidiaries in Nigeria

Part A

Introduction

Thank you for your time to contribute to this research. Let me briefly outline my role and how this interview is designed to fit in this research.

Purpose of this research

The overall aim of this study is to understand and analyse the transferability of Human Resource Management (HRM) practices of multinational companies (MNCs) from non-western origin/emerging economies within their operations across borders, informed by managerial views of subsidiaries located in Nigeria.

Ethical considerations

The information gathered from this investigation is strictly confidential. Your company's name, your name, and any other information to identify you or your organisation will be coded or changed to keep it confidential. The data obtained in this study will exclusively be used for this study and not passed on to third parties.

I, the undersigned, have read and understood the above and agree that the data obtained from this interview is integrated in a doctoral thesis and published following the ethical considerations listed above.

Name:.....Signature:.....

Date:.....

If you so wish I will share the final analysis, expected in 2016, with you.

E-mail: amarachi.amaugo@beds.ac.uk; amarachi.amaugo@yahoo.com

Interview Guide

Date:

Time interview started:

Time interview ended:

Part A– General Information about the Interviewee:

Interviewee's Gender: Age: Nationality:

Interviewee's position and grade:

Duration in the current position:

Duration in the current company:

Duration in relevant profession (both in Nigeria and elsewhere):

International experience:

Total duration in service:

Academic background:

Number of people you manage:

Parent company information: location, activity, size, history, mission, vision, competitive advantage, international strategy

Company name:

Structure and ownership

What is the number of employees in Nigeria?

What is the composition of the board of directors?

Who are they?

What divisions do you have?

Is HR a division with a HR director?

Is the HR director a member of the board or any other decision making committee?

Does he take part in the strategic decision making?

iii. Subsidiary general information: activities, target market, market share, size, structure, strategy, objectives, implementation date

Part A– Subsidiary Business Strategy and HR strategy

(Research Objective 1- To understand the nature of HRM in the subsidiary. Also relevant to Research Objective 4- role of HR function)

1. Does the company have a mission/vision statement? What is the business strategy of the company?
2. Is the HR department involved in the formulation of corporate strategy? How?
3. How is the organisation managed and structured?
4. Where does HR fit into the organisation? (Structure, influence, activities of the organisation, who does it report to?) Is there a specialist on the board?
5. What is the nature of the business planning process? How does the HR department fit into the business planning? (What is the link between business planning and HR planning?)
6. How would you describe the influence of the HR function in determining the business strategy? (Prompt: in strategy formulation; strategy implementation; is the HR director involved in the formulation of the corporate strategy?)
7. What aspects of HR activities are taken into consideration when determining business strategies?
8. How are the other functional departments related to the HR department?
9. How are HR policies set? (Prompt: are there parent company-wide HR policies?; Clear instructions from headquarters; advice from HQ; Broad guidelines issued by HQ; need approval of HQ; given total autonomy Who is involved in setting the HR Policies)
10. How free are the subsidiaries locally to take or adapt these decisions? Are country expertise and best practices from the subsidiaries integrated in the HQ HR policies and processes? How is that achieved?
11. Do you use the same HR policies in Nigeria that are used in the headquarters or are they different? Where does your company get its HR policies and strategy from?
12. Are they global HR policies or do you apply different policies for different countries or regions? What are the deciding and influencing factors? Does this apply to all subsidiaries across the world?

13. How do the subsidiaries in different countries work together to align HR and to network? Does HQ facilitate that?
14. Do managers delegate responsibility and decision-making? How would you describe the management style of your company?
15. How do you communicate with parent company/ regional HQ? How frequently? What is the purpose of this communication?
16. How would you describe the nature of the relationship between parts of your company in Nigeria and those elsewhere in the world (integration vs differentiation)?
- a. Service provision to product markets is networked across location
 - b. Production is integrated across different location
 - c. Locations supply each other at internally-administered price
 - d. Locations supply each other in competition with external supplier
 - e. No trading between different parts of the enterprise
17. If trading, how important is the Nigerian enterprise to the parent company's operations and to other subsidiaries? If no trading, is this relationship going to change in the future?
18. How does the subsidiary business strategy in Nigeria fit with the overall corporate business strategy of the parent company? (Prompt: to what extent does the parent's company strategy affect the business strategy in Nigeria)
19. How would you describe the process of deciding this subsidiary's strategies?
- a. Strategy at the subsidiary is largely a matter for the managers of the subsidiary. What is important is that they achieve their financial targets

- b. Subsidiary strategies must fit into an overall strategy, which is decided at the parent company's head office
- c. Subsidiary strategies emerge from review processes, which involve both subsidiary managers and parent company head office

1. HRM Strategies and Policies

1. Does the company have a written policy for the following areas?

	HR Policies	YES	NO
a.	Recruitment and selection		
b.	Training and Development		
c.	Competence Performance Appraisal		
d.	Compensation and Benefits		
e.	Communication with employees		
f.	Employee relations		
g.	HR Planning		

Other policies??? Please state

A. Staffing/Recruitment and Selection

- i. What is the recruitment methods used in the company? Are they similar to the parent company's methods? If not, Why? If Yes, How?
- ii. Is there a formal selection process? How?
- iii. Is it developed, administered by centralised department within the organisation? Or is it developed, administered and carried out by individual departments within the organisation?
- iv. To what extent are line managers involved in the recruitment and selection process?

- v. a) How do you fill the needed positions? (*Prompt: recruitment from abroad, local market, internal automatic promotions*). Have you got any restrictions with this regard? (*prompt: Government agreement, law, cost*).
- b) Is recruitment and selection of managers different from those of non-managerial positions?
- c) If different, why are they different? Is R&S of managerial positions similar to the parent company?
- vi. How does the recruitment selection policy compare to the parent company's policies and practices? (*Prompt: is there company wide policy in recruitment and selection; to what degree these have to resemble the parent company's policies and practices; to what degree you are free to modify these policies; degree of similarities and differences*).

A. Training and Development

- i. a) Who provides training in the company?
- b) What are the most used techniques? Rank according to importance.
- ii. What has been the trend in training provision? In which areas are training focused on?
- iii. a) Is training and development for managers different from those of non-managerial positions? For managerial staff, are they similar to the parent company?
- b) Who decides the training and development budgets for: Non-managerial and Managerial staff?
- iv. Is there a department responsible for the training and development of senior managers in overseas subsidiaries? If yes, is this department based at headquarters, are there departments in each territory or do both apply?

- v. a) Which managerial groups are being trained and developed at headquarters or other places overseas? Why?
- b) What form of training and development programmes you are holding or planning for managerial staff? What facilities are being used? Why are you holding these programmes?
- vi. a) How would you describe the parent company's philosophy and policy on training and development?
- b) Is this reflected in a company-wide policy on training and development? How does your current policy on T&D compare to the parent company's policies and practices?
- vii. How often do senior managers move between Nigeria and overseas subsidiaries, or between subsidiaries in different countries?
- viii. a) Is there any policy of moving managers between countries in order to increase their experience of the business? If yes, how long has this policy been in effect?
- b) Who does it apply to?
- c) Is the policy mandatory on subsidiary company managers or only advisory?

B. Performance Appraisal

- i. a. Which groups of employees have their performance officially appraised?
- b. Who carries out the performance appraisal?
- c. How often are the appraisals carried out?
- ii. a. What is the main purpose of the appraisal? (Is it for individual development and to identify training needs or is it for pay? ...Just to confirm, is appraisal linked to remuneration? When was appraisal with these objectives applied?

- b. What are the performance evaluation system features and type of data collected?
- iii.
 - a. What are the main changes in the appraisals policy/system in preparation for and after privatisation? (Policy reforms)
 - b. What were the reasons for these changes? (Prompt: who decided them; what pressures you have; or is it corporate company wide policy)
- iv. Is appraisal for managers different from those of non-managerial positions? Is it similar to the parent company? (Prompt: to identify people for transfers; succession planning...)
- v. How does the appraisal system compare with the parent company policies?
- vi. What are the anticipated or planned changes in performance appraisal?

C. Rewards

- i. How is pay determined in the organisation? (*Prompt: job description; performance related pay; fixed rate; seniority based...*).
- ii.
 - a. How are pay increases determined? (*Prompt: according to experience, age, individual performance; team performance; cost of living; yearly bonus*)
 - b. What are the anticipated future trends in pay increases?
 - c. How are promotions determined? (*Prompt: automatic promotions; seniority; performance*).
- iii.
 - a. Is the parent company (HQ) directly or indirectly involved in pay increase decisions?
 - b. Do you consider pay determination process to be centralized, decentralized or a mixture- differs across the company?

- iv.
 - a. Do you have different pay systems (scale) for senior managers, managers and non-managerial positions?
 - b. if yes, what are the main differences?
 - c. What are the reasons for this?
- v. Thinking in particular about pay determination, which of the statements on the card (**CARD 1**) most closely reflects arrangements for the overseas subsidiaries of the parent company?
 - a. HQ decides the percentage pay increase in each overseas operation
 - b. HQ lays down a range of pay increases with the exact figure determined locally
 - c. Pay is set at the subsidiary level with guidelines from HQ
 - d. HQ sets a payroll figure in the budget within which subsidiaries have discretion
 - e. HQ plays no role in pay determination
- vi. If there were increases in the pay scale, was there a big gap between the salaries of managerial and non-managerial staff? If yes, what was the reason for this? And how did staff respond to this? (Prompt: Budgetary control).
- vii. What are the anticipated or planned future changes in this area?

D. Employee Communication and Consultation

E.1)

- a) What methods are used by management to communicate with the work force?
 - 1. Meetings among work-groups or teams such as quality circles or other problem solving groups

2. Meetings between junior managers/supervisors and all the workers for whom they are responsible- (briefing groups or team briefings)
3. Meetings between senior managers and all sections of the workforce (either altogether or section by section)
4. Systematic use of the management chain for communication with all employees
5. Suggestion schemes
6. Regular newsletters distributed to all levels of employees
7. Electronic mail
8. Writing directly to employees
9. Surveys or ballots of employees' views or opinions
10. Other methods

E.2)

- a) For what reasons do you communicate with the workforce? What information do you communicate to them? (*Prompt: to discuss employees' performance..*)
- b) Do you provide strategic or financial information to your employees? (*Prompt: internal investment plans; the financial position of the company; staffing plans*). If yes, for whom is it provided? And to what extent do you provide this information?
- c) How frequently do you communicate with staff?

E.3) Have these methods of communication changed over the years? If so, when did they change)? What were the changes?

E.4) What are the reasons for the change in these methods? (*Prompt: Is there parent company wide policy on communication; new company policy;..*)

E.5)

- a) What method are used by the force to communicate their views or opinions to management? (*Prompt: Suggestion boxes; surveys*)

b) What have been the changes in these methods? When did they change?

c) What were the reasons for this change?

E.6) What changes do you plan or expect to have in employee communication in the future?

E.7)

a) Currently, what official forms of employee representation operate at your company? (Prompt: one recognised trade union; more than one recognised trade union; joint consultative committees; staff association; no formal employee representation; other).

b) How has this changed?

c) When has it changed?

d) What have been the reasons for this change?

E.8) If Trade Union Representation,

a) At your establishment, approximately what percentage of people are members of a trade union and/or staff/worker association?

b) Is membership increasing or decreasing?

E.9) Do you recognise unions as a partner for collective bargaining? (Are any unions recognised by management for negotiating the pay and conditions of workers)?

E.10) What methods are used by management to consult with employees? (Prompt: *joint consultative committees between management and employees; Are there any management/employee committees? if so, when were they introduced?*)

E.11) What methods are used to consult with employees? (Prompt: *regular meetings between management and non-managerial employees or their representatives;*)

E.12) What subjects are discussed? (*Prompt: Terms and conditions of employment; safety and occupational health arrangements; staffing or manpower; major changes in working methods or work organisation?*)

Turning now to employee involvement

E.16) Which of the following methods are used by your organisation as a matter of policy?

- a) Regular meetings (at least once a month) between junior managers/supervisors and all the workers for whom they are responsible.
- b) Systematic use of the management chain for communication with all employees
- c) Regular meetings (at least once a quarter) between senior managers and employees or their representatives of a consultative nature
- d) Videos
- e) Suggestion schemes
- f) Regular newsletters distributed to all levels of employees
- g) Surveys of ballots to obtain employees' views or opinions
- h) Others (Describe)
- i) None of the above

E.17) How has this changed over the years?

E.18) Are there any profit sharing or employee share schemes in the company?
When was this introduced? Why?

E.19) What were the reasons for this change?

E.20) What changes do you expect or plan to have in the future?

E.21) Are these mandatory or advisory?

E.22) How would you describe management/employee relations at this work place? (*Prompt: also include relationship between management and unions/staff associations and their representatives*).

E.23) How has this changed? Why?

E.24) In general, how are these changes working in practice? What are the factors that hinder or facilitate these changes? (*Prompt: Big cultural difference;*)

E.25) Finally, what do you see as the most likely developments in personnel policy in the foreseeable future?

Part B – Subsidiary Structure

(Research Objective 2- To analyse the process of transfer HRM knowledge, policies and practices into the subsidiaries)

1. What is the ownership structure of the company?
2. What are the main activities of the subsidiary?
3. Is your subsidiary company in Nigeria?
 - a) A single business (i.e. 90% of sales from one business)?
 - b) A dominant business (i.e. 70% of sales from one business)?
 - c) A related business (i.e. no one business contributes 70% or more of sales but businesses are in related fields)?
 - d) A conglomerate business (i.e. many unrelated businesses)?
4. Is your Parent company-
 - a) A single business (i.e. 90% of sales from one business)?
 - b) A dominant business (i.e. 70% of sales from one business)?
 - c) A related business (i.e. no one business contributes 70% or more of sales but businesses *are in related fields*)?
 - d) A conglomerate business (i.e. many unrelated businesses)?
5. Does your company operate on a single site, or on a number of sites?
6. Who design the management and organisation structure? Who appoints the General Manager and the executive management?

7. To what extent are expatriate managers brought in? In what areas are expatriates managers brought in? Why are expatriate managers being used?
(*Prompt: government policy/requirement; the new partner's condition*)
8. How would you describe the decision making process and management? (*Prompt: no/less/more centralised; no/less/more delegation of responsibility and decision-making; managers have no authority*)
9. How would you describe the financial and commercial position of the company?
10. How the parent company is primarily structured?
 - a) Along Multi-domestic lines (*i.e. national subsidiaries are the most important line of organisation*)
 - b) Along global lines (*i.e. international business are the most important line of organisation*)
 - c) Both multi-domestic and global lines (*If both, which of these would you say the more representative multi-domestic or global*)

Part C – Parent-Subsidiary Relationship:

(*Research Objective 2- To analyse the process of transfer of HRM knowledge, policies and practices into the subsidiaries*)

1. How does your subsidiary cooperate with HQ in areas other than HR? Please give examples.
2. Please tell me about general (non HR) HQ initiatives/programs designed to help the subsidiary. Do they help in your view? Why or why not? Could these initiatives/programs be improved? How?
3. In your view is there sufficient job rotation between HQ and subsidiary? Why not or why is job rotation between HQ and subsidiary positive?
4. Would you describe the relationship between HQ and your subsidiary as trusting?
not at all/ somewhat/ neutral/ rather/ very

Why is that, do you have examples?

5. Would you describe the practices of HQ and your subsidiary as innovative?

not at all/ somewhat /neutral /rather/ very

Why is that, do you have examples?

6. Are there HQ people assigned/ responsible for your subsidiary? Are they clustered by region or by issue such as Non HR and HR?
7. How are subsidiaries employees viewed by HQ? Do you see these HQ-people as being more helpful to or more controlling of your subsidiary staff?
8. Do you feel that your subsidiary's' concerns are adequately addressed by the HQ staff? How do you ensure that your concerns are being fed back to HQ?
9. What indices of financial performance are reported to the overseas headquarters?

- a) Profit or return on investment
- b) Sales revenue or the ratio of sales to capital invested
- c) Overall costs or the costs to sales ratio
- d) Market penetration
- e) Other (Specify)

10. To what extent do you rely on parent company written policies; guidelines and manuals in your decision making process? (Prompt: HR policies and other policies?)

11. What is the balance of decision-making responsibility between the managers of the subsidiary and management at the parent company's headquarters? Does the HQ management instructs/advises / issues broad guidelines/ gives total autonomy to the managers of the subsidiary on the

- a) Scale of operations
- b) Nature of products or services
- c) Prices of products or services supplied to external markets

12. What is the nature of the relationship between the Nigerian company and the headquarters of the parent company?

- a) A direct relationship

b) An indirect relationship (e.g. through general management; regional headquarters; international division

c) Some other relationship (specify)

13. What methods of communication are used between the company in Nigeria and headquarters? (Prompt: Formal written reports; manuals; clear instructions; telephone conversations; meetings; visits;....) Which methods are used more frequently and for what reasons?

14. To what extent does the Nigerian company depend on the parent company for acquiring?

a) Technology and technical know-how

b) Technical and managerial expertise

c) Funds for investments

15. How important is the Nigerian company to the parent company? What is the significant part played by the Nigerian company? (Prompt: Market entry/access; gateway to other businesses in the region; profit potential; government concessions.

16. With regard to the balance of decision making responsibility, please tell me which of the following issues are...?

CARD 2

A. Decided mainly by headquarters or regional HQ (HQ Instructs)

B. Approved by parent or regional HQ

C. Consulted with or advice sought of parent or regional HQ

D. Decided mainly by the subsidiary

(Place A/B/C/D whichever is applicable beside each of the following-)

- 1) Operating budget
- 2) Capital investment
- 3) Union recognition
- 4) Recruitment of managerial staff
- 5) Design of payment system
- 6) Pension
- 7) Fringe benefit
- 8) Salary/ Wage increase
- 9) Numbers employed/increasing the workforce
- 10) Negotiation or determination Structures for consulting and involving employees of an annual pay settlement
- 11) Terms of redundancy
- 12) Length of normal working week
- 13) Patterns of working, e.g. the use of shift work
- 14) Working arrangements, e.g. task flexibility or multi- skilling
- 15) The subcontracting of operation
- 16) The instigation of layoffs or redundancies

17. If consulted or advised, do decisions rest primarily with the operating establishment at national headquarters level, or with an international divisional unit?

18. In which of the following issues (to do with the performance of the subsidiary) is information collected regularly by the headquarters/parent company? Is this information collected directly by –

CARD 3

- A. the parent's headquarters
- B. through intermediate levels

C. international divisional unit

D. regional HQ?

(Place A/B/C/D whichever is applicable beside each of the following-)

- 1) Movements in rates of pay
- 2) Negotiated pay settlement
- 3) Managerial pay package
- 4) Overall labour cost
- 5) Overtime working
- 6) Strikes and other forms of industrial action
- 7) Numbers employee
- 8) Numbers of resignations and numbers recruited
- 9) Absenteeism
- 10) Dismissals and disciplinary case
- 11) Labour productivity
- 12) Accidents and injuries
- 13) Occupational health
- 14) Training receive
- 15) Gender composition of the workforce
- 16) Age composition of the workforce
- 17) Others (specify)

19. Is this information also collected from other subsidiaries worldwide? For which purpose is this information used?

CARD 4

- a) As input into decisions on allocation of investment fund
- b) As input into decisions on divestment
- c) As part of the evaluation of the performance of business unit manager
- d) As part of the evaluation of the performance of personnel or human resource management

- e) To provide information to the personnel or human resource function
 - f) Make comparisons between operating site
 - g) Other (specify)
20. Are profits generated in Nigeria usually turned over to global headquarters?
If so, what proportion is generally turned over (prompt: a major proportion; a minor proportion; or does it vary)
21. Are managers responsible for subsidiaries required to attend meetings with managers from parent company's headquarters to review the subsidiary's performance? If so, are these meetings held at regular, predetermined intervals or only when there is a problem with the performance of the subsidiary? Approximately how often are they held?
22. If the subsidiary's performance is off target, what are the consequences and what are the procedures or actions taken by the parent's headquarters?
23. What are the main indicators used by the parent company to compare the performance of different subsidiaries? (Prompt: profits; productivity; unit labour costs; head count/numbers employed)
24. Have you sent senior and middle managers and others to head quarters for training and development? If so, have these visits served other purposes? If yes, explain.
25. Is there a company policy on transfer of technical people and professionals? If so, what is the purpose of such transfers? How frequently do executives from head office visit Nigeria?
26. Who comes to visit? (Prompt: HR director or labour relations managers; finance) What is the purpose of these visits?

27. Do expatriate executives go to visit headquarters? What is the nature of these visits? (Prompt: to report to headquarters; discuss with headquarters; lay down policies)

Part D – Annual budget

1. How is the budget set for the subsidiary?
 - a) Subsidiary managers have no say in the budget
 - b) Subsidiary managers decide the budgets
 - c) Subsidiary managers propose the budgets which are then negotiated with parent company's -headquarter themselves
 - d) Parent company's managers at headquarters propose the budgets which are then negotiated with subsidiary manager
2. How is the budget performance monitored? Sanctions if not met?
3. Are targets linked to remuneration? (Labour costs/ productivity/ no's/training)
4. Who approves expenditure/investment on the following? Are there standard ROI levels? What is the process of investment approval, e. g. cost comparisons with other sites?
 - a. Managerial appointments
 - b. Product ranges (are they standard?)
 - c. Export decisions
5. What HR/IR information is collected at corporate/divisional/regional HQ? Who collects? What do they do with it?
6. Are there international principles (best practice), e. g. - teamwork, Kaizen, on how do project teams work?
 - a. benchmarking on comparable production sites elsewhere
 - b. standard operating procedures eg, for production (standard times etc)
 - c. quality standards and procedures
7. Is there a central audit unit (corporate or divisional)? What does it do (how, when, where, who)?

8. Who monitors Transfer of practices between countries? How transferred?
Central (US) unit responsible?
9. Is Productivity comparisons between plants made of performance in different projects?
 - a. Any areas of international standards
 - b. Standard operating procedures
 - c. Quality standards (e. g. ISO)
 - d. International productivity initiatives

Part E – Contextual Factors:

(Research Objective 3: To evaluate the factors that may have influenced the transfer of HRM in the MNCs' subsidiaries)

Views on Local Formal Institutions

1. What factors do you think effects your decision to standardize or localize practices and policies? (Prompt- Political, Economic, Social, Cultural- The culture of the company/ country, Legal- The strict labor laws in the country, Technological, The instability of the environment, Interviewees' position on local labour regulations, Educational and training systems; their interaction with company daily operations and guidelines from the parent company; Sources of confrontations and methods of dealing with them.)
2. Please tell me what you consider the main differences in national context between parent country and Nigeria that are relevant for HR? (Culture/Social/legal/political /economic)
3. How do culture/society/legal/political systems of Nigeria affect HR?
4. In your view is it better to have a local or an expatriate HR director? Why?
What would happen if cost was not an issue?
5. To what extent is your HR staff in HQ and the subsidiary aware of cultural differences and how do they manage these? What could be improved?
How so?
6. Why do you think these processes or policies ought to be modified? (National culture, Size of organisation, Complexity of operation etc.?)

Views on Local Informal Institutions

7. What is your opinion on the local business culture? (evaluation of individualism, personal connections and hierarchy in the local context and among company employees)
8. What is the attitude of parent-company towards these features? Sources of confrontations and methods of dealing with them.
9. What are the management styles of the local competitors and the development level of HR (lack of progress) in the host country?
10. What are the characteristics of parent company's management style?
11. Would you say Nigerian management is closer to western, eastern or has its own unique management style?
12. What factors affect the style of management in your subsidiary? (Organization, leadership, -CEO/MD's position, -education/experience, etc.?)
13. Are there specific HR issues (*if prompted interviewer gives examples, i.e. variable compensation*) where you feel the HQ rules should be modified to fit the subsidiary? Please give examples.
14. In your opinion, is your situation unique to your country or do similar conditions exist in many countries in the region / worldwide?
15. Are there specific HR issues (*if prompted interviewer gives examples, i.e. leadership principles*) where you feel the HQ policies and processes should be applied in all countries? Please give examples.
16. Is any Nigerian government body responsible for advising, monitoring and regulating your firm's activity? Which areas?
17. Did any Nigerian government body have any influence on your company's HR or non-HR decision?
18. Do you think the activities and behaviour of Nigerian government body influences your subsidiary to adopt the local practices?
19. Is your company required to obtain an approval from the government? What kind or for what purposes? Could you please describe the approval process that your firm is required to follow?
20. Has any of such application by your company ever been rejected by government authorities? What are the consequences of rejection?

21. What policy do you adopt to avoid such rejection or to get prompt approval? (*prompt-lobbyist firm, bribing, using elite influence, developing relationship, etc*)
ing relationship, etc)

Part F – The role of HRM in the transfer of practices

(Research Objective 4: To examine the role of the HR department in the transfer of HR policies and practices)

- i. On the whole, how many people are working in the Personnel/HR function.
- ii. What is the structure of the Personnel/HR function? How are the staff allocated?
- iii. Do you have separate departments within the Personnel/HR function? If so, who do they report to?

1. Strategic partner

- a. Does HR help in accomplishing business goals?
- b. Are they involved in the process of defining business strategies?
- c. Is there a link between HR strategy and the overall business strategy?
- d. Do they ensure that that these strategies are aligned with the business strategies?
- e. How would you measure its effectiveness? Is it by their ability to make strategy happen?

2. Administrative expert

- a. Is HR involved in improving operating efficiency? To what extent?
- b. Is HR involved in the design and delivery of HR process?
- c. Do they design programs? What are they?
- d. Do they ensure that this process is effectively administered? How? For how long? Is it monitored?

3. Employee champion

- a. Is HR involved in helping employees adapt to change? How?
- b. Is HR involved in improving employee's commitment?
- c. Do HR policies respond to employee's personal needs? To what extent?
- d. Do they develop programs to respond programs to look after these needs?

4. Change agent

- a. Is HR seen as a change agent?
- b. Is HR involved in the process of organisational change and transformation?
To what extent? How?
- c. Is HR involved in helping employees adapt to change?
- d. Is HR involved in ensuring that new behaviour is imbibed to ensure that the organisation remains competitive?

What is the role of HR in the transfer of practices?

Appendix B: Codebook Excerpt (Part C)

Categories and themes	Codes	Ques. No.
III Mechanisms	MC	
III. A. Personalised Control	MC-PCo	
III. A. 3. III. A. 6. III. A. 21. Meetings, teams, committees Transfer of employees across subsidiaries	MC-Mteco-PCo MC-Trans-PCo	3, 6, 21
III. B. Formalised-based Control	MC-FCo	
III. B. 2 III. B.10 Standardising work procedure, Rules, policies and manuals	MC-StanWpro-FCo MC-RuPoMa-FCo	2, 10
III. C. Information-based Control	MC-ICo	
III. C. 13 III. C. 19. Information through databases, intranet, electronic data exchanges	MC-DaInEc-ICo	13,19
III. D. Centralisation-based Control	MC-CCo	
III. D. 1. III. D. 8. III. D. 11. III. D. 16.-20 Decision-making lies with the HQ	MC-DmHq-Co	1, 8, 11,16-20

Appendix C: Coded Interview Excerpt (Part C)

6. Are there HQ people assigned/ responsible for your subsidiary? Are they clustered by region or by issue such as Non HR and HR?

From time to time, it is the practice of the company to delegate personnel from the HQ to the subsidiary for some temporary assignment... for example, training or overseeing a project temporarily. Also, some personnel are sent to the HQ for trainings annually; when there is a major restructuring the trainings could be more frequent and lengthier annually (III. 6. A)

Scheduling conferences and regular meetings are used by HQ to monitor the transfer and implementation of policies in the subsidiary. For example, regular meetings are held at the subsidiary involving all directors from different departments. Twice annually, the corporate HR director visits the Nigerian subsidiary and in the same way, the HR manager from the subsidiary visits the HQ once annually and also attends the annual meetings organised by HR for all subsidiaries globally (III. 6. A)

(III. A. 6: MC-Mteco-PCo)

(III. A. 6: MC-Trans-PCo)

13. What methods of communication are used between the company in Nigeria and headquarters? (Prompt: Formal written reports; manuals; clear instructions; telephone conversations; meetings; visits.) Which methods are used more frequently and for what reasons?

Constant communication is established between the HQ and the subsidiary through phone calls and email. Therefore, the HR manager at the subsidiary makes a number of phone calls to the HQ in a week; also, meetings are held regularly especially using video conferencing. subsidiary. III. C. 13.

(III. 13. C: MC-DalEc-ICo)

11. What is the balance of decision-making responsibility between the managers of the subsidiary and management at the parent company's headquarters? Does the HQ management instructs/advises / issues broad guidelines/ gives total autonomy to the managers of the subsidiary on the:

- d) Scale of operations**
- e) Nature of products or services**
- f) Prices of products or services supplied to external markets**

With regard to the balance of decision making responsibility, decisions are taken or approved mainly by the HQ, but sometimes, the decisions are taken by the subsidiary especially in the area of recruitment with the exception of executive recruitment"

There are also areas where the HQ decision are non-negotiable. For example, in the area of technology... IT decisions and even deciding on which equipment to use or buy is solely the responsibility of the HQ as they understand the business better" III. D. 11.

III. D. 11: MC-DmHq-Co
